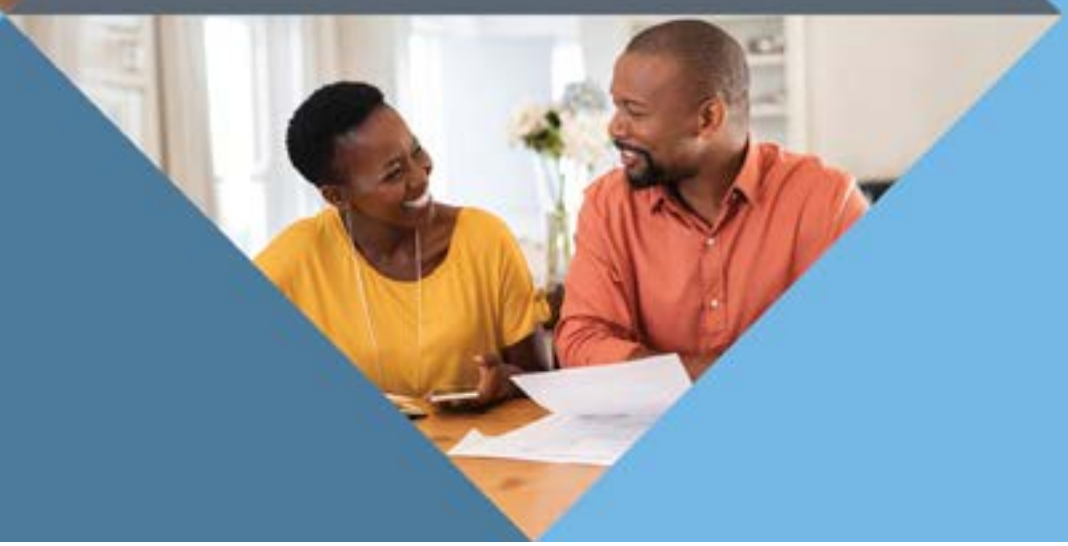
Sagicor

SAGICOR BARBADOS SEGREGATED PENSION FUNDS
2023 ANNUAL REPORT





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OUR VISION

To be a great company,
committed to improving the lives
of people in the communities
in which we operate.

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For 183 years, Sagicor's business has been based on long-term relationships with its customers, employees, and communities, who entrust us with their financial well-being. Our name and reputation draw on the strength, stability and financial prudence that are our heritage, and this identity defines the flexibility that wise financial thinking can bring to our customers throughout their lives. Through local expertise, and in partnerships with world-class asset managers, reinsurers, together with sound risk management practices, Sagicor is able to provide wise financial advice, and continue to meet the needs of our customers now and in the future.

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Sagicor Barbados Segregated Pension Funds Policy



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Barbados Segregated Pensions Funds Policy

BARBADOS SEGREGATED PENSIONS FUNDS POLICY

Under this policy, Sagicor manages and administers Pension Funds registered in Barbados and facilitates investments in diversified portfolios of securities. Sagicor allows investment in either or both of the two Unit Trusts, in proportions chosen by the client.

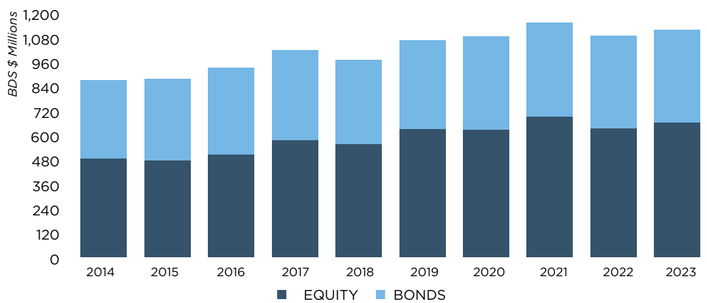
Administration services include design of plans, record keeping, member education and retirement counselling, regulatory reporting, benefits and pensioner payment and income tax reporting. Actuarial services include actuarial valuations, IAS valuations, benefit scenarios and recommendations for benefit enhancements.

At Present, Pension Funds of 231 companies in Barbados amounting to approximately $1.08 billion are invested in these segregated funds; all but 66 of these Pension Plans are also administered by Sagicor. The total membership stood at 5,072 which includes 870 Pensioners.

Financial Highlights

EQUITY & BONDS FUNDS - NET ASSETS, UNIT VALUE, YIELD						
	Equity Fund			Bonds Fund		
2014	$479,484	$47.73	-0.1%	$383,091	$23.97	6.8%
2015	$469,767	$48.15	0.9%	$400,108	$24.89	3.8%
2016	$499,022	$51.23	6.4%	$423,156	$25.36	1.9%
2017	$567,830	$58.05	13.4%	$439,872	$26.72	5.4%
2018	$549,787	$56.41	-2.9%	$411,197	$25.03	-6.3%
2019	$623,129	$64.68	14.7%	$434,847	$27.20	8.8%
2020	$619,153	$65.93	1.9%	$455,648	$28.60	5.1%
2021	$682,364	$74.32	12.7%	$459,740	$29.45	3.0%
2022	$624,544	$68.71	-7.55%	$454,670	$29.46	0.03%
2023	$653,151	$74.19	7.97%	$455,292	$30.79	4.51%

GROWTH OF THE SEGREGRATED FUND ASSETS





Chairman's Statement

Stephen McNamara



MACRO ENVIRONMENT – GLOBAL, US, EM, BARBADOS, EC, TRINIDAD

2023 was a favourable year for financial markets and this was reflected across broad market sectors. Investors saw positive gains though challenged by market volatility from elevated geopolitical tensions which included, the war in Ukraine and Middle East conflict, heightened competition and economic uncertainty. Financial markets were able to contend with the unpredictable environment, boosted by compelling fourth quarter performances in both equity and bond markets which were spurred by anticipated interest rate cuts in 2024. These results prompted strong positive performances for the Sagicor (Equity) Fund and Sagicor (Bonds) Fund.

Despite pessimistic predictions, the world was able to avoid a global recession, the banking system proved resilient, and major emerging market economies did not suffer abrupt interruptions. US equities rallied as economic data continued to exhibit resilience in 2023 and provided a lift in valuations as inflation trended downward. US Core Consumer Price Index (CPI), which excludes food and energy prices fell to 3.9% in December 2023 from 5.7% a year earlier. The primary driver of volatility in fixed income markets remained with interest rate policy. After four rate hikes earlier in the year, the last of which was 25 basis points in July 2023, the US Federal Reserve maintained its Federal Funds rate at a range of 5.25% to 5.50%. The Bloomberg Global Aggregate Index, which broadly tracks the performance of the global investment grade bond market, returned 5.7% for 2023.

The S&P 500, which tracks the performance of the 500 largest publicly traded US companies by market cap and represents a broad cross-section of the US economy, registered a gain of 26.3% for 2023. The Dow Jones Industrial Average Index which consists of the 30 market-leading companies on the American stock exchange and reflects their growth returned 16.2%, while the Nasdaq Composite with its heavy weighting towards Information Technology companies grew 44.6%. Information Technology, Communication Services and Consumer Discretionary were the strongest performing equity sectors for 2023. All equity sectors except Utilities and Energy generated positive returns for the year. Emerging market and developing economies remained a difficult area for investors with high borrowing costs cooling demand in some countries and elevating the risk of debt distress. Nevertheless, emerging markets and global equities experienced positive performance during 2023 with most returns generated in the fourth quarter. The MSCI EM Index reported a 10% increase in 2023 and the MSCI ACWI grew by 22.2%.

In 2023 bond and equity asset classes were fueled by positive performances and experienced a boost in valuations in the fourth quarter as the US interest rate curve fell with yields on all maturities except one month ending the quarter

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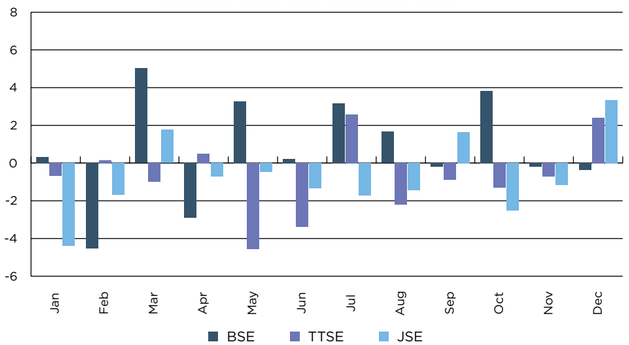


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Chairman's Statement

REGIONAL STOCK INDICIES 2023



lower and resulting in increases in the price of Treasuries. The yield on US 10-year bonds closed the year at 3.9%. Fixed income returns finished the year with the biggest two-month gain on record, a performance reflective of disinflationary signals. The Bloomberg Global Aggregate Bond Index returned 9.4% over November and December and rose a total of 8.1% during the fourth quarter of 2023.

The International Monetary Fund (IMF) estimated that the global economy grew by 3.2% in 2023, down from 3.5% in 2022, as it continues to recuperate from the pandemic, the invasion of Ukraine and resulting disruption in food and energy markets, and the tightening of global monetary conditions to combat high inflation. Risks to the global outlook are more balanced with downside risks including price spikes from geopolitical tensions which could along with persistent core inflation in tight labour markets raise interest rate expectations and reduce asset prices. The downside risks are offset by a more relaxed fiscal policy raising short-term economic activity, as well as inflation falling at a faster rate and allowing central banks to accelerate easing plans and spur productivity.

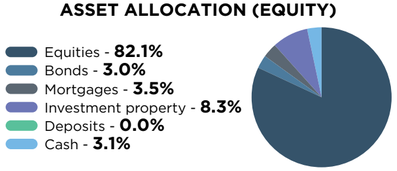
The US economy grew 2.5% which represented an improvement over the 1.9% growth rate in 2022. This expansion was predicated by stronger business investment and resilient consumption. US inflation as measured by the consumer price index was curbed on an overall basis however headway on alleviating the underlying inflationary forces stalled as core inflation remained above the Fed's 2% target. The unemployment rate remained low and was 3.6% at the end of 2023.

The UK's economic growth was sluggish and declined from 4.3% in 2022 to 0.1% in 2023. The waning growth reflected tighter monetary policy to curb inflation as well as the lingering impacts of high energy prices. The Euro area had a similar outcome and contracted from 3.4% in 2022 to 0.4% in 2023. China recorded a boost from low GDP growth of 3% in 2022 to 5.2% in 2023 after the removal of three years of strict pandemic restrictions under the zero Covid policy by Government, which allowed consumer demand and consumption to rebound.

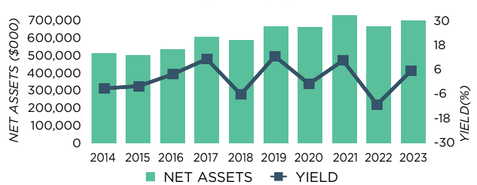
The IMF estimated that growth within the Latin American & Caribbean region declined from 4.2% in 2022 to 2.3% in 2023 reflecting a normalization of growth, tighter policies, a weaker external environment, and lower commodity prices. Some Latin American players benefitted from growth in agriculture, a delayed post-pandemic recovery in construction and services, and increased exports to meet US demand for products. The Barbadian economy continued to demonstrate tenacity and grew by 4.4% in 2023. Tourism was the main driver of the economic expansion and functioned as a stimulus for other sectors of the economy. Inflation stood at 5.0% at the end of 2023 and the annual unemployment rate decreased from 8.4% in the prior year to 7.9% in 2023. International reserves climbed to $3.0 billion or the equivalent of 31 weeks of import cover.

Regional markets registered diverse results as the Barbados Stock Exchange

ASSET ALLOCATION (EQUITY)



UNIT VALUE & YIELDS (EQUITY) 2014– 2023



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Chairman's Statement

(BSE) was the only major monitored composite index to advance significantly within Trinidad & Tobago, Jamaica, and the Eastern Caribbean. The BSE advanced 9.3%, propelled primarily by positive returns for FirstCaribbean International Bank which saw its share price increase by 16% in 2023. The Trinidad & Tobago Stock Exchange (TTSE) and the Jamaica Stock Exchange (JSE) declined by 8.9% and 8.5% respectively in 2023, resulting in our equity holdings reporting mixed returns in these markets. However, our diversified regional equity portfolio observed positive performance in 2023.

SAGICOR (EQUITY) FUND

The Sagicor (Equity) Fund reported net assets of $653.2 million as at December 31, 2023 reflecting an increase compared to net assets of $624.5 million at the end of 2022. The Fund yielded a positive performance of 8.0% for the year following growth of 4.6% in the final quarter of 2023. Indicators that inflation was trending downward, and the US Federal Reserve's halt in rate increases in the latter part of 2023 supported the prospect of future rate cuts and provided uplift to the portfolio with generated expectations of a more favourable environment for equities in 2024.

The Sagicor (Equity) Fund maintained its diversified composition which in addition to local, regional, and international equities, includes exposure to real estate and a mortgage portfolio. The Fund's domestic real estate and mortgage portfolios continued to contribute to income stability and the preservation of capital. The key contribution to performance came from the Fund's strategic allocation to international equities. International equities, which represented 58% of the Fund's portfolio, significantly bolstered performance, particularly in the fourth quarter where exposure to large cap growth and small cap stocks benefitted the portfolio through increased valuations. US large cap stocks led the rebound as AI enthusiasm propelled tech stock valuations while small cap stocks reflected resilient domestic consumption. The strategic allocation to energy and selective commodities faced price volatility during the period. The Fund's long-term structured allocation to some alternative investments moderated growth in this segment whilst providing the appropriate measure to manage downside risks.

The Fund upheld its objective of seeking to balance risk and return with the aim of maximizing long-term capital appreciation through investing across a diverse pool of investments and ended 2023 with a unit value of $74.19 up from $68.71 at December 2022.

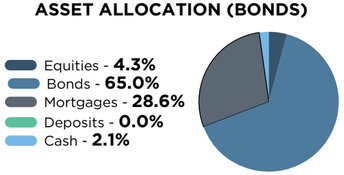
SAGICOR (BONDS) FUND

The Sagicor (Bonds) Fund generated a positive performance during 2023 with a return of 4.5%. The performance was assisted by a fourth quarter fixed income rally which boosted the Fund's return by 1.5%. The US bond market recovery late in the year was due to the Fed's dovish shift which comforted investors. Comparatively, the Bloomberg Global Aggregate Index returned 5.7% for 2023.

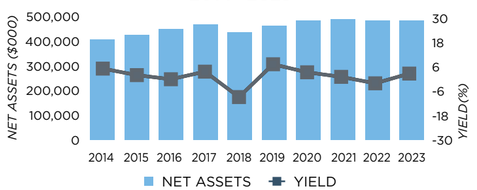
The Fund reported a net unit value of $30.79 at year end compared to $29.46 at the close of 2022. Net assets increased from $454.7 million at the end of 2022 to $455.3 million as at December 31, 2023. The Fund seeks to achieve consistent long-term returns primarily from its investment in a diverse mix of bonds, mortgages, and equity holdings. The portfolio continues to benefit from stability in regional fixed income holdings and an increase in the valuation of the portfolio's local currency debt. Even with a competitive local market, the mortgage portfolio continued to be a key contributor of income to the Fund.

The portfolio management team continued its strategy to deploy capital into short duration assets to minimize volatility in bond valuations resulting from interest rate sensitivity, as rates continued rising during the first three quarters of 2023. The Fund was able to capitalize on high yielding, investment grade assets to preserve capital in the turbulent market. During the fourth quarter, capital was invested in a managed fixed income strategy which conservatively combined investment grade instruments with a current income objective. Historically, the Sagicor (Bonds) Fund has shown resistance to market shocks and remains strategically positioned for long-term growth.

ASSET ALLOCATION (BONDS)



UNIT VALUE & YIELDS (BONDS) 2014– 2023



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OUTLOOK

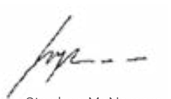
In 2023 global markets oscillated between concerns over recession versus a soft landing. In the US, the main debate was when the cycle of policy tightening initiated by the Fed to tame inflation would end as the rate hikes it implemented negatively impacted market volatility. The current priority for Central Banks is to ensure that inflation lands smoothly as the global economy approaches a soft landing. More recently the discussion has shifted to when and how much the Fed will cut rates in 2024 with Investors keen to act on any signs of impending rate cuts.

The IMF updated their economic projections in January 2024, estimating that the global output of 3.1% in 2023 would remain at that level for 2024, a 0.2% increase from their October 2023 projections. The forecast while reflecting upgrades for China, The United States, and large emerging market and developing economies, is low by the pre-pandemic historical standard of 3.8%. The prospect of a hard landing is fading as adverse supply shocks unwind. However, the pace of expansion can be impacted by high borrowing costs, withdrawal of fiscal support, and longer-term effects from the COVID-19 pandemic and the war in Ukraine, as well as low productivity growth and geopolitical tensions. These factors, along with persistent core inflation could impact financial markets and lead to reduced asset prices.

The Central Bank of Barbados estimates that the Barbados economy is expected to continue its growth trajectory at a rate of 4% in 2024. This target is contingent on the expansion of tourism as well as public and private sector investments. The tourism sector is positioned to receive a boost in arrivals from hosting the ICC T20 World Cup in June and from increased airlift capacity. Planned public sector investments include infrastructural development projects, construction of the Geriatric Hospital and refurbishment to public health facilities, and the construction and refurbishment of sporting facilities. Development is expected to continue in several private sector projects. Our regional counterpart Trinidad and Tobago was impacted by slower global growth which led to softer energy commodity prices in 2023.

Financial market investors need to be wary as the potential timing of interest rate cuts could significantly impact performance. Typically, an unpredictable environment would favor attractively priced fixed income instruments with the potential for appreciation as interest rates fall, whereas riskier assets will benefit from a more stable and positive economic outlook. Our investment strategies are positioned to achieve consistent long-term returns while balancing risk through diversification across an optimal mix of asset classes and should enhance portfolio performance with attractively priced equity investments with upside potential in strong economies and preserve capital through investment in quality fixed income and equity securities in volatile markets.

We thank our investors for your continued confidence in our management and remain committed to delivering value to our clients.



Stephen McNamara
Chairman



Trustees of the Segregated Pension Funds

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Trustees of the Segregated Pension Funds

SLI DIRECTORS

Stephen McNamara – Chairman, CBE, Barrister-at-Law, LLD (Hon)
Andrew Aleong, MBA, BA
Professor Sir Hilary Beckles, BA, PhD
Dr Archibald Campbell, CD, FCA, DBA
Ian St Clair Carrington, FB, MPA, FCGA
Peter Clarke, BA (History), BA (Law)
Jeannine Linette Comma, Ed.D, MA, BA
William Lucie-Smith, MA (Oxon), FCA
Julian Mair, BBA
Dodridge Miller, FCCA, MBA, LLM, LLD (Hon)
David Wright, FFA, FAIA
Andre Mousseau, BA, MBA



Trustees of the Segregated Pension Funds

PENSION TEAM

James Camacho, B.A., F.I.A.	Vice President
Nadia Chandler-Guy, BSc (Hons), FCCA	Assistant Vice President
Dawn Jordan, BSc (Hons)	Manager, Pension Actuarial
Donna Gibbs, MSc, FLMI, ALHC, HIA, ACS, CAMS	Manager, Client Relations
Marcella Sobers, CERT, AAPA, AIAA, AIRC	Manager, Pension Administration
Shakeila Marshall, BSc (Hons), FCCA	Corporate Accountant
Susan Mendez, FLMI, AIAA, ACS	Manager, Pension Administration

INVESTMENT TEAM

Dexter Moe, BSc, MBA, ACIS, CFA	Vice President
Michael Millar, BSc, MSc, CFA,	Head of Wealth Management
Liandra Sankar-Cassie, BSc, MBA, ALMI, ACS	Assistant Vice President
Nicholas Neckles, BSc, CFA, OLY	Portfolio Manager
Kareem Manning, BSc, MSc	Portfolio Manager
Simone Simpson, BSBA (Hons), CFA	Portfolio Manager

AUDITOR

PricewaterhouseCoopers SRL

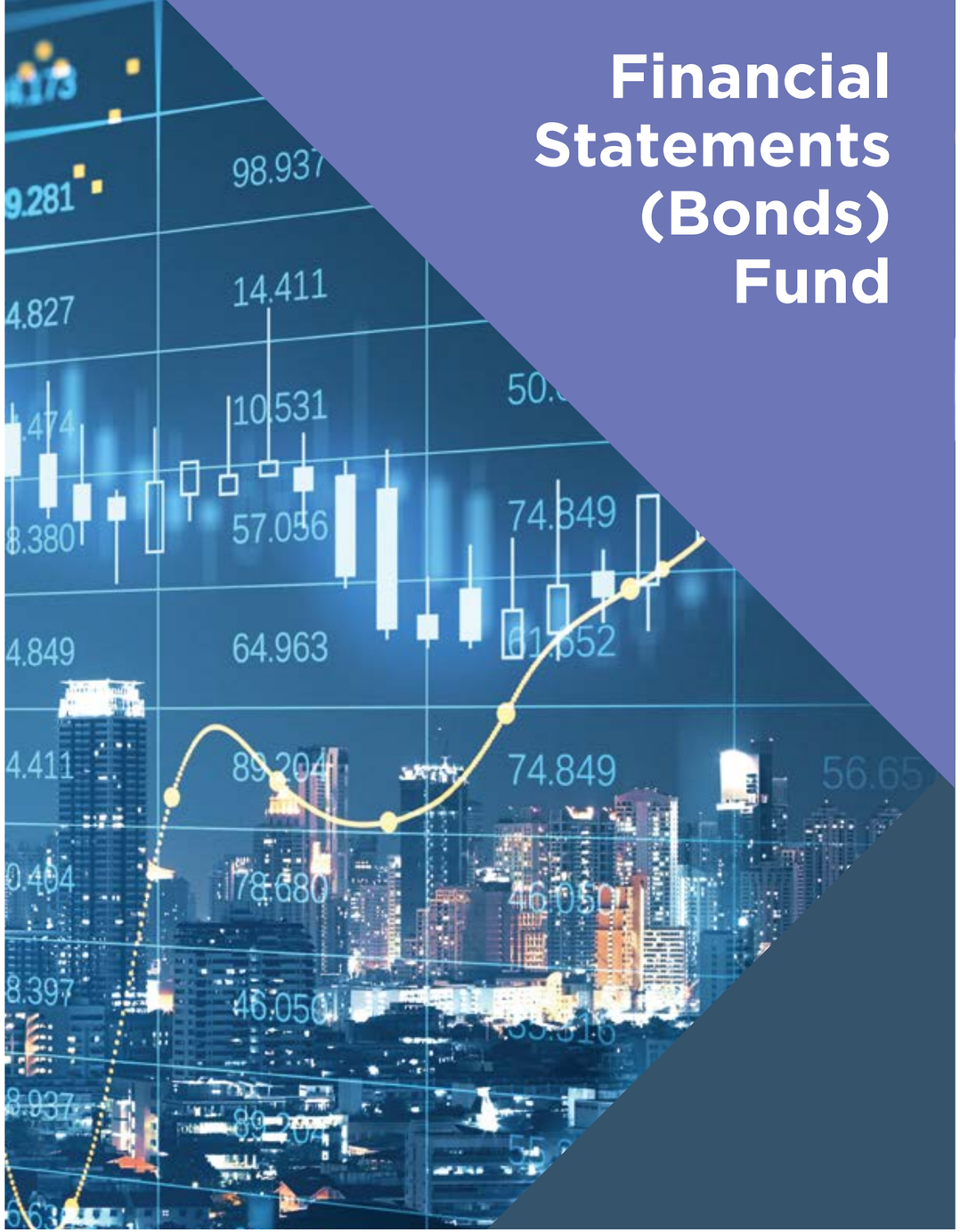
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Financial Statements (Bonds) Fund



pwc

Independent auditor's report

To the Unit holders of Sagicor (Bonds) Fund

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sagicor (Bonds) Fund (the Fund) as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at December 31, 2023;
- the statement of income and comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unit holders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

PricewaterhouseCoopers SRL, The Financial Services Centre, Bishop's Court Hill, P.O. Box 111, St. Michael, BB14004, Barbados, West Indies
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In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matter

This report is made solely to the Fund's unit holders as a body. Our audit work has been undertaken so that we might state to the Fund's unit holders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law and subject to any enactment or rule of law to the contrary, we do not accept or assume responsibility to anyone other than the Fund and the Fund's unit holders as a body, for our audit work, for this report, or for the opinion we have formed.

PricewaterhouseCoopers SRL

Bridgetown, Barbados
May 9, 2024

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Statement of Financial Position

As of December 31, 2023

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

	Notes	2023	2022
ASSETS			
Due from Sagicor Life Inc.	4	78,044	8,260,463
Due from Sagicor (Equity) Fund	4	1,268,367	-
Due from Sagicor International Balanced Fund	4	331,520	209,028
Income tax assets	5	3,433,630	6,915,367
Interest and other receivables	6	5,566,129	2,154,291
Financial investments	7	437,367,861	436,658,661
Cash resources		26,137,162	3,238,752
Total assets		474,182,713	457,436,562
LIABILITIES			
Due to Sagicor Asset Management Inc.	4	16,522	16,522
Due to Sagicor (Equity) Fund	4	-	1,869,766
Accounts payable	9	18,873,876	880,278
Total liabilities		18,890,398	2,766,566
Net assets attributable to unit holders		455,292,315	454,669,996
Represented by:			
UNIT HOLDERS' EQUITY		455,292,315	454,669,996
No. of units outstanding at end of year		14,787,090	15,433,507
Net asset value per unit at end of year		$30.79	$29.46
Increase in net asset value per unit for year		4.51%	0.03%

The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors on May 9, 2024.

Chairman

Director



Statement of Changes in Net Assets Attributable to Unit Holders

For the year ended December 31, 2023

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

	2023		2022	
	Number of Units	Total $	Number of Units	Total $
Balance, beginning of year	15,433,507	454,669,996	15,609,490	459,740,460
Proceeds from issue of units	560,510	16,797,093	1,125,210	32,897,050
Redemption of units	(1,206,927)	(36,224,608)	(1,301,193)	(37,982,225)
Net decrease from unit transactions	(646,417)	(19,427,515)	(175,983)	(5,085,175)
Net income and total comprehensive income for the year available to unit holders	-	20,049,834	-	14,711
Balance, end of year	14,787,090	455,292,315	15,433,507	454,669,996

The accompanying notes are an integral part of these financial statements.



Statement of Income and Comprehensive Income
As of December 31, 2023

Sagicor (Bonds) Fund
Amounts expressed in Barbados Dollars

	Notes	2023	2022
REVENUE			
Interest income	10	17,571,995	16,349,466
Dividend income		209,544	137,833
Net investment gains / (losses)	11	7,926,529	(13,889,949)
Credit impairment reduction / (losses)		89,837	(242,633)
		25,797,905	2,354,717
EXPENSES			
Management fee	12	2,274,868	2,271,160
Charge for impairment losses on income tax assets	5	3,492,742	1,500
Investment expenses		60,622	42,767
Bank and interest charges		13,645	9,011
Exchange (gains) / loss		(93,806)	15,555
Total operating expenses		5,748,071	2,339,993
INCOME BEFORE TAXES		20,049,834	14,724
Withholding taxes		-	(13)
NET INCOME AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR AVAILABLE TO UNIT HOLDERS		20,049,834	14,711

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows
For the year ended December 31, 2023

Sagicor (Bonds) Fund
Amounts expressed in Barbados Dollars

	2023	2022
Cash flows from operating activities:		
Income before taxes	20,049,834	14,724
Adjustments for:		
Interest income	(17,571,995)	(16,349,466)
Dividend income	(209,544)	(137,833)
Charge for impairment losses on income tax assets	3,492,742	1,500
Net investment (gains) / losses	(7,926,529)	13,889,949
(Reduction of) / allowance for impairment losses	(89,837)	242,633
	(2,255,329)	(2,338,493)
Changes in operating assets and liabilities		
Due (from) / to Sagicor Life Inc.	8,182,419	(7,460,192)
Due from Sagicor International Balanced Fund	(122,492)	(60,714)
Due (from) / to Sagicor (Equity) Fund	(3,138,133)	1,283,686
Issue of mortgage loans	(24,049,699)	(16,619,092)
Repayment of mortgage loans	11,676,634	9,611,471
Purchase of debt securities	(161,622,257)	(53,360,412)
Redemption of debt securities	175,960,505	36,233,357
Purchase of equity securities	(82,641)	(6,080,604)
Sale of equity securities	2,860,780	7,918,221
Amounts deposited	(2,000,000)	(6,025,128)
Deposits redeemed	4,507,547	9,438,631
Other receivables	(3,408,202)	(1,915,536)
Accounts payable	17,993,598	(5,011,177)
Cash generated from / (used in) operations	24,502,730	(34,385,982)
Interest received	17,624,656	16,828,457
Dividends received	209,544	137,833
Taxes paid	(11,005)	(9,763)
Net cash generated from / (used in) operating activities carried forward	42,325,925	(17,429,455)



Statement of Cash Flows
For the year ended December 31, 2023

Sagicor (Bonds) Fund
Amounts expressed in Barbados Dollars

	2023	2022
Net cash generated from / (used in) operating activities brought forward	42,325,925	(17,429,455)
Cash flows from financing activities		
Proceeds from issue of units	16,797,093	32,897,050
Redemption of units	(36,224,608)	(37,982,225)
Net cash used in financing activities	(19,427,515)	(5,085,175)
Net increase / (decrease) in cash and cash equivalents	22,898,410	(22,514,630)
Cash and cash equivalents - beginning of year	3,238,752	25,753,382
Cash and cash equivalents - end of year	26,137,162	3,238,752
Cash and cash equivalents comprise:		
Cash resources	26,137,162	3,238,752
	26,137,162	3,238,752

The accompanying notes are an integral part of these financial statements.



Notes to the Financial Statements
Year ended December 31, 2023

Sagicor (Bonds) Fund
Amounts expressed in Barbados Dollars

1. REGISTRATION, PRINCIPAL ACTIVITY AND REGISTERED OFFICE

Sagicor (Bonds) Fund ("The Fund") was registered in April 1969 as a Unit Trust, responsible for the management of investments of Barbados registered pension plans.

The Fund's objective is to generate income and preserve capital through investment in competitively yielding fixed income securities including mortgages, bonds and other debt instruments.

Sagicor Life Inc. acts as Asset Manager and Trustee of the fund. Sagicor Life Inc. has subcontracted out certain asset management and custodian arrangements with Oppenheimer & Co. Inc, UBS Financial Services and Morgan Stanley Private Wealth Management. The registered office of the Fund is located at the Cecil F. de Caires Building, Wildey, St. Michael, Barbados.

If required, these financial statements can be amended after issue, at the recommendation of the Audit Committee and with the approval of the Board of Directors of the Trustee.

2. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared in accordance with and comply with IFRS Accounting Standards. The financial statements have been prepared under the historical cost convention, as modified by revaluation of financial investments held at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

All amounts in these financial statements are shown in Barbados dollars unless otherwise stated.

New Standards and Amendments

Certain new standards and amendments to existing standards have been issued. The changes in standards and interpretations which may have an effect on future presentation, measurement or disclosure of the Fund's financial statements are summarised in the following tables.

Amendments to existing IFRS and IAS effective January 1, 2023

None of these amendments have a material effect on the Fund's financial statements.

Standards	Description of amendment
IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction	These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.
IAS 8 – Definition of accounting estimates	This amendment assists entities in distinguishing between accounting policies and accounting estimates.
IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies	This amendment assists preparers of financial statements in making decisions related to which accounting policies to disclose in financial statements.

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2. MATERIAL ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Amendments to existing IFRS and IAS effective January 1, 2024

Amendments to IAS 1 – Liabilities as current or non-current, effective January 1, 2024
Subject / Comments
In January 2020, the IASB made amendments to IAS 1 'Presentation of financial statements' to clarify the criteria for classifying a liability as non-current. These are to be applied retroactively.
The impact of this standard on the Fund is currently being analysed.

Amendments to IAS 7 and IFRS 7 – Supplier finance, effective January 1, 2024 (with transitional reliefs in the first year)
Subject / Comments
In May 2023, these amendments were issued to improve the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk, in view of investors' and analysts' concerns that the supplier finance arrangements of some entities are not sufficiently visible.
This standard will have no material effect on the Fund.

2.2 Foreign currency translation

(a) Functional and presentational currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which it operates (the functional currency). The financial statements are presented in Barbados dollars, which is the Fund's functional and presentational currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Foreign exchange gains and losses which result from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

Translation differences on debt securities and other monetary financial assets measured at fair value are included under investment expenses. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the net investment gains or losses in the statement of income.

Currency exchange rates are determined by reference to the respective central banks. Currencies which are pegged to the United States dollar are converted into Barbados dollars at the pegged rates. Currencies which float are converted to the Barbados dollar by reference to the average of buying and selling rates quoted by the respective central banks.

Exchange rates of the other principal operating currencies to the Barbados dollar were as follows:

	2023 closing rate	**2023 average rate**	**2022 closing rate**	**2022 average rate**
Eastern Caribbean dollar	1.35	1.35	1.35	1.35
Trinidad & Tobago dollar	3.3579	3.3688	3.3707	3.3692
United States dollar	0.50	0.50	0.50	0.50

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Financial assets

(a) Classification of financial assets

The Fund utilises a principles-based approach to the classification of financial assets. Debt instruments, including hybrid contracts, are measured at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortized cost based on the nature of the cash flows of these assets and the Fund's business model. Equity instruments are measured at FVTPL, unless they are not held for trading purposes, in which case an irrevocable election can be made on initial recognition to measure them at FVOCI with no subsequent reclassification to profit or loss.

Financial assets are measured on initial recognition at fair value and are classified as and subsequently measured either at amortised cost, at FVOCI or at FVTPL. Financial assets and liabilities are recognised when the Fund becomes a party to the contractual provision of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Fund commits to purchase or sell the asset.

Financial assets that are held to collect the contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest, such as mortgages, deposits, due from other funds and other loans, are measured at amortised cost. In addition all financial liabilities are measured at amortised cost. The carrying value of these financial assets at initial recognition includes any directly attributable transaction costs.

(b) Classification of debt instruments

Classification and subsequent measurement of debt instruments depend on:

- the Fund's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Fund classifies its debt instruments into the following measurement category.

Measured at fair value through profit and loss (FVTPL)

Debt instruments are classified in this category if they meet one or more of the criteria set out below and are so designated irrevocably at inception:

- the use of the designation removes or significantly reduces an accounting mismatch;
- when the performance of a portfolio of financial assets is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy;
- when the debt instruments are held for trading and are acquired principally for the purpose of selling in the short-term or if they form part of a portfolio of financial assets in which there is evidence of short-term profit taking.

Business model assessment

Business models are determined at the level which best reflects how the Fund manages portfolios of assets to achieve business objectives. Judgement is used in determining business models, which is supported by relevant, objective evidence including:

- The nature of liabilities, if any, funding a portfolio of assets;
- The nature of the market of the assets in the country of origination of a portfolio of assets;
- How the Fund intends to generate profits from holding a portfolio of assets;
- The historical and future expectations of asset sales within a portfolio.

Solely repayments of principal and interest ("SPPI")

Where the business model is hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Fund assesses whether the financial instruments' cash flows represent solely payments of principal and interest. In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial assets are classified and measured at FVTPL.



2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Financial assets (continued)

(c) Impairment of financial assets measured at amortized cost

The Fund measures its financial investments in deposits and mortgages at amortized cost. At initial recognition, allowance (or provision in the case of some loan commitments and financial guarantees) is required for Expected Credit Losses (ECL) resulting from default events that are possible within the next 12 months (or less, where the remaining life is less than 12 months) ('12- month ECL').

In the event of a significant increase in credit risk (SICR), an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL are recognised are defined as 'stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment so are defined as being in default or otherwise credit-impaired are in 'stage 3'. Purchased or originated credit- impaired financial assets ("POCI") are treated differently as set out below.

To determine whether the life-time credit risk has increased significantly since initial recognition, the Fund considers reasonable and supportable information that is available including information from the past and forward-looking information. Factors such as whether payments of principal and interest are in default, an adverse change in credit rating of the borrower and adverse changes in the borrower's industry and economic environment are considered in determining whether there has been a significant increase in the credit risk of the borrower.

(d) Purchased or originated credit-impaired assets (POCI)

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be POCI. These financial assets are credit-impaired on initial recognition. The Fund calculates the credit adjusted effective interest rate, which is calculated based on the fair value origination of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows. The ECL of these assets is always measured on a life-time basis.

At each reporting date, the Fund shall recognise in profit or loss the amount of the change in lifetime expected credit losses as an impairment gain or loss. The Fund will recognize favorable changes in lifetime expected credit losses as an impairment gain, the gain occurs when the lifetime expected credit losses are less than the amount of expected credit losses that were included in the estimated cash flows on initial recognition.

(e) Definition of default

The Fund determines that a financial instrument is credit-impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- contractual payments of either principal or interest are past due for 90 days or more;
- there are other indications that the borrower is unlikely to pay such as that a concession has been granted to the borrower for economic or legal reasons relating to the borrower's financial condition; and
- the financial asset is otherwise considered to be in default.

If such unlikeliness to pay is not identified at an earlier stage, it is deemed to occur when an exposure is 90 days past due.

(f) Write-off

Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of security. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

(g) The general approach to recognising and measuring ECL

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money;
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Financial assets (continued)

(g) The general approach to recognising and measuring ECL (continued)

Measurement

Expected credit losses are calculated by multiplying three main components, being the probability of default ("PD"), loss given default ("LGD") and the exposure at default ("EAD"), discounted at the original effective interest rate. Management has calculated these inputs based on the historical experience of the portfolios adjusted for the current point in time. A simplified approach to calculating the ECL is applied to contract and other receivables which do not contain a significant financing component. Generally, these receivables are due within 12 months unless there are extenuating circumstances. Under this approach, an estimate is made of the life-time ECL on initial recognition (i.e. Stage 3). For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a Fund are homogeneous.

The PD, LGD and EAD models which support these determinations are reviewed regularly in light of differences between loss estimates and actual loss experience; but given that IFRS 9 requirements have only been applied since January 1, 2018, the historical period for such review is limited. Therefore, the underlying models and their calibration, including how they react to forward-looking economic conditions remain subject to review and refinement. This is particularly relevant for lifetime PDs, which have not been previously used in regulatory modelling and for the incorporation of 'downside scenarios' which have not generally been subject to experience gained through stress testing. The exercise of judgement in making estimations requires the use of assumptions which are highly subjective and sensitive to the risk factors, and particularly to changes in economic and credit conditions across wide geographical areas. Many of the factors have a high degree of interdependency and there is no single factor to which loan impairment allowances are sensitive. Therefore, sensitivities are considered in relation to key portfolios which are particularly sensitive to a few factors and the results should not be further extrapolated.

The main difference between Stage 1 and Stage 2 expected credit losses is the respective PD horizon. Stage 1 estimates will use a maximum of a 12-month PD while Stage 2 estimates will use a lifetime PD. Stage 3 estimates continue to leverage existing processes for estimating losses on impaired loans, however, these processes have been updated to reflect the requirements of IFRS 9, including the requirement to consider multiple forward-looking scenarios. An expected credit loss estimate is produced for each individual exposure, including amounts which are subject to a more simplified model for estimating expected credit losses.

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgment.

For defaulted financial assets, based on management's assessment of the borrower, a specific provision of expected life-time losses which incorporates collateral recoveries, is calculated and recorded as the ECL. The resulting ECL is the difference between the carrying amount and the present value of expected cash flows discounted at the original effective interest rate.

Forward looking information

The estimation and application of forward-looking information requires significant judgment. PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio.

Each macroeconomic scenario used in the expected credit loss calculation has forecasts of the relevant macroeconomic variables – including, but not limited to, gross domestic product, for a three-year period, subsequently reverting to long-run averages. Our estimation of expected credit losses in Stage 1 and Stage 2 is a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. Our base case scenario is based on macroeconomic forecasts where available. Upside and downside scenarios is set relative to our base case scenario based on reasonably possible alternative macroeconomic conditions.

Scenario design, including the identification of additional downside scenarios occurs on at least an annual basis and more frequently if conditions warrant. Scenarios are probability-weighted according to our best estimate of their relative likelihood based on historical frequency and current trends and conditions. Probability weights are updated on a quarterly basis.



2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Financial assets (continued)

(h) Modification of loans

The Fund sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers and debt instruments. When this happens, the Fund assesses whether or not the new terms are substantially different to the original terms. The Fund does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flow to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Fund derecognises the original financial asset and recognises a new asset at fair value and recalculates the new effective interest rate for the asset. The date of negotiation is consequently considered to the be the date of initial recognition for impairment calculation purposes and the purpose of determining if there has been a significant increase in credit risk. At this point the Fund will assess if the asset is POCI.

(i) Re-classified balances

The Fund reclassifies debt instruments when and only where its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

(j) Classification of equity instruments

The Fund classifies and subsequently measures all equity investments at FVTPL.

(k) Presentation in the statement of income and comprehensive income

Debt and equity instruments measured at FVTPL

Realised changes in fair value, unrealised changes in fair value, interest income and dividend income are included in revenue.

Financial instruments measured at amortised cost

Interest income is included in interest income earned from financial assets measured at amortised cost in the statement of income and comprehensive income.

Credit impairment losses are included in the statement of income and comprehensive income.

2.4 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise:

- cash balances,
- call deposits,
- other liquid balances with maturities of three months or less from the acquisition date,

Cash equivalents are subject to an insignificant risk of change in value.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.5 Provisions

Provisions are recognised when the Fund has a legal or constructive obligation, as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

2.6 Interest income and expenses

Interest income (expense) is computed by applying the effective interest rate based on the gross carrying amount of a financial asset (liability), except for financial assets that are purchased, originated or subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (i.e. after deduction of the loss allowance). Interest includes coupon interest and accrued discount and premium on financial instruments. Dividend income is recorded when declared.

2.7 Taxation

The Fund is exempt from Barbados taxation.

The Fund currently incurs withholding taxes imposed by certain countries or financial institutions on investment income. Such income is recorded gross of withholding tax in the statement of income and comprehensive income and the related tax imposed is recorded as receivable until the amounts are recoverable or expensed as incurred.

2.8 Management fee

As a result of serving as Trustee and Manager of the Fund, Sagicor Life Inc. receives a management fee based on the Net Asset Value of the Fund, calculated at a rate of 0.5% per annum.

2.9 Units

The Fund issues units which are redeemable at the holder's option. Units are carried at the redemption amount that is payable at the statement of financial position date should the holder exercise the right to redeem the shares. Units redeemed may be put back to the fund for cash or transfer of assets representing the value of the units redeemed.

Units are classified as equity as they meet the following criteria:

- They entitle the holder to a pro-rata share of the net assets of the Fund.
- The total expected cash flows attributable to the units over their life are based substantially on the profits or loss of the Fund.
- The Fund is contractually obliged to deliver cash to unit holders on the repurchase of units or transfer assets representing the value of units redeemed.
- The rights and features attached to each unit are identical.

2.10 Net asset value per unit

The Fund adopts a forward pricing policy of valuing transactions. The consideration received or paid for units issued or repurchased respectively is converted to units based on the Fund's net asset value per unit at the next valuation period.

The net asset value per unit is calculated by dividing the net assets by the number of units.



3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the Fund's reported assets, liabilities, revenues and expenses. The items which may have the most significant effect on the Fund's financial statements are set out below.

3.1 Impairment of financial assets

In determining ECL (defined in Note 2.3(c)), management is required to exercise judgement in defining what is considered a significant increase in credit risk and in making assumptions and estimates to incorporate relevant information about past events, current conditions and forecasts of economic conditions. Further information about the judgements involved is included in Note 2.3 'Measurement' and 'Forward-looking information'.

(a) Establishing staging for debt securities and deposits

The Fund's internal credit rating model is a 10-point scale which allows for distinctions in risk characteristics and is referenced to the rating scale of international credit rating agencies.

The scale is set out in the following table:

Category		Sagicor Risk Rating	Classification	S&P	Moody's	Fitch	AM Best
Non-default	Investment grade	1	Minimal risk	AAA, AA	Aaa, Aa	AAA, AA	aaa, aa
		2	Low risk	A	A	A	a
		3	Moderate risk	BBB	Baa	BBB	bbb
	Non-investment grade	4	Acceptable risk	BB	Ba	BB	bb
		5	Average risk	B	B	B	b
	Watch	6	Higher risk	CCC, CC	Caa, Ca	CCC, CC	ccc, cc
		7	Special mention	C	C	C	c
Default		8	Substandard			DDD	
		9	Doubtful	D	C	DD	d
		10	Loss			D	

The Fund uses its internal credit rating model to determine which of the three stages an asset is to be categorized for the purposes of ECL.

Once the asset has experienced a significant increase in credit risk the investment will move from Stage 1 to Stage 2. Sagicor has assumed that the credit risk of a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial asset that is investment grade or Sagicor risk rating of 1-3 is considered low credit risk.

Stage 1 investments are rated (i) investment grade, or (ii) below investment grade at origination and have not been downgraded more than 2 notches since origination. Stage 2 investments are assets which (i) have been downgraded from investment grade to below investment grade, or

(ii) are rated below investment grade at origination and have been downgraded more than 2 notches since origination. Stage 3 investments are assets in default.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

3.1 Impairment of financial assets (continued)

(b) Establishing staging for mortgage loans and other assets measured at amortised cost

Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:

Qualitative test
- accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring.

Backstop Criteria
- accounts that are 30 calendar days or more past due. The 30 days past due criteria is a backstop rather than a primary driver of moving exposures into Stage 2.

(c) Forward looking information

When management determines the macro-economic factors that impacts the portfolios of financial assets, they first determine all readily available information within the relevant market. Portfolios of financial assets are segregated based on product type, historical performance and homogenous country exposures. There is often limited timely macro-economic data for Barbados, the Eastern Caribbean and Trinidad. Management assesses data sources from local government, International Monetary Fund (IMF) and other reputable data sources. A regression analysis is performed to determine which factors are most closely correlated with the credit losses for each portfolio. Where projections are available, these are used to look into the future up to three years and subsequently the expected performance is then used for the remaining life of the product. These projections are re-assessed on a quarterly basis.

3.2 Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined using reputable pricing sources (such as pricing agencies), indicative prices from bond/debt market makers or other valuation techniques. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Fund exercises judgement on the quality of pricing sources used. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. The inputs into these models are primarily discounted cash flows.

The models used to determine fair values are periodically reviewed by experienced personnel. The models used for debt securities are based on net present value of estimated future cash flows, adjusted as appropriate for liquidity, and credit and market risk factors.

4. RELATED PARTY BALANCES

These balances are interest free, unsecured and have no fixed terms of repayment. Related party transactions are disclosed in Note 12.

5. INCOME TAX ASSETS

Income tax assets arise from deductions of withholding tax at source on interest income on local financial investments. The Fund's tax-exempt status entitles it to a refund of these taxes by the Barbados Revenue Authority.

Income tax assets are reported at the gross value of $9,810,372, net of an estimated impairment of $6,376,742 (2022 - gross value of $9,799,367; impairment of $2,884,000)



6. INTEREST AND OTHER RECEIVABLES

	2023 $	2022 $
Bond interest due	31,356	27,720
Net advances to unit holders	5,378,291	1,921,712
Other	156,482	204,859
	5,566,129	2,154,291

The net advances balance represents net redemptions paid to unit holders, which at year-end, are awaiting conversion to units in the subsequent year.

7. FINANCIAL INVESTMENTS

Analysis of financial investments

	2023 Carrying Value $	2023 Fair Value $	2022 Carrying Value $	2022 Fair Value $
Investments at FVTPL				
Fair value through profit and loss:				
Bonds – Unlisted Local	105,795,751	105,795,751	100,715,311	100,715,311
Bonds – Unlisted Regional	17,862,147	17,862,147	33,568,267	33,568,267
Bonds – Listed International	152,377,094	152,377,094	138,001,356	138,001,356
Treasury Bills – Listed International	14,171,372	14,171,372	25,725,260	25,725,260
Total debt securities	**290,206,364**	**290,206,364**	**298,010,194**	**298,010,194**
Common shares – Listed	2,776,540	2,776,540	1,923,874	1,923,874
Mutual funds – Listed	16,482,680	16,482,680	18,574,294	18,574,294
Total equity securities	**19,259,220**	**19,259,220**	**20,498,168**	**20,498,168**
Investments at amortised cost:				
Deposits	-	-	2,524,664	2,524,664
Mortgage loans, net	127,902,277	127,725,681	115,625,635	115,925,093
Total	**127,902,277**	**127,725,681**	**118,150,299**	**118,449,757**
Total financial investments	**437,367,861**	**437,191,265**	**436,658,661**	**436,958,119**

Mortgage loans are reported at the gross principal of $129,041,975, net of a provision for expected credit losses of $1,139,698 (2022 - gross principal of $117,172,616, net of a provision for expected credit losses of $1,546,981). The fair value of the fixed rate mortgage loans is $62,825,302 (2022 - $54,459,779) and the carrying value is $63,001,898 (2022 - $54,160,321). All other amounts approximate their fair value.

7. FINANCIAL INVESTMENTS (continued)

Analysis of financial investments (continued)

Debt securities comprise:

	2023 $	2022 $
Government debt securities – Listed International	123,431,010	131,075,985
Government debt securities – Unlisted Local	105,795,751	100,715,311
Government debt securities – Unlisted Regional	14,834,132	19,794,125
Corporate debt securities – Listed International	43,117,456	32,650,631
Corporate debt securities – Unlisted Regional	3,028,015	13,774,142
	290,206,364	298,010,194

Debt securities classified at fair value through profit or loss and valued using internally developed valuation models amounted to $123,657,898 (2022 - $134,283,578).

8. FINANCIAL RISK

Financial risk factors

The Fund's activities of accepting funds from unit holders and investing these funds in a variety of financial and other assets expose the Fund to various financial risks.

Financial risks include credit, liquidity and market risks. Market risks arise from changes in interest rates, equity prices, currency exchange rates or other market factors. The effects of these risks are disclosed in the sections below.

The Fund is also exposed to operations such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodians.

The overriding objective of the Fund's risk management framework is to enhance its capital base through investment in competitively yielding income securities and to protect capital against inherent business risks. This means that the Fund accepts certain levels of risk in order to generate returns, and the Fund manages the levels of risk assumed through risk management policies and procedures. Identified risks are assessed as to their potential financial impact and as to their likelihood of occurrence.

The effects of financial risks are disclosed in the sections below.

8.1 Credit risk

Credit risk is the exposure that the counterparty to a financial instrument is unable to meet an obligation, thereby causing a financial loss to the Fund. Credit risks are primarily associated with financial investments held.

Credit risk from financial investments is minimised through holding a diversified portfolio of investments, purchasing securities and advancing loans only after careful assessment of the borrower, obtaining collateral before advancing loans and placing deposits with financial institutions with a strong capital base. Limits may be placed on the amount of risk accepted in relation to one borrower.

All transactions in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as the local and regional stock exchanges act as clearing facilitators, ensuring that monies are placed in the clearing accounts.

In accordance with the Fund's policy, the Fund Manager and the Board of Directors of the Trustee monitor the Fund's credit position on a quarterly basis.



8. FINANCIAL RISK (continued)

Financial risk factors (continued)

8.1 Credit risk (continued)

Rating of financial assets

The Fund's credit rating model (Note 3.1) applies a rating scale to two categories of exposures:

- Investment portfolios, comprising debt securities, deposits and cash;
- Lending portfolios, comprising mortgages

For lending portfolios, the three default ratings of 8, 9 and 10 are utilised, while for investment portfolios, one default rating (8) is utilised.

In sections 8.2 and 8.3 below, we set out various credit risks and exposures in accordance of assets measured in accordance with IFRS 9.

8.2 Credit risk exposure – financial assets subject to impairment

The maximum exposures of the Fund to credit risk are set out in the following table.

	2023		2022	
	$	%	$	%
Bonds at FVTPL	290,206,364	64	298,010,194	68
Deposits at amortised cost	-	-	2,524,664	1
Investment portfolio	**290,206,364**	**64**	**300,534,858**	**69**
Mortgage loans, net, at amortised cost	127,902,277	28	115,625,635	27
Lending portfolio	**127,902,277**	**28**	**115,625,635**	**27**
Due from Sagicor Life Inc.	78,044	0	8,260,463	2
Due from Sagicor (Equity) Fund	1,268,367	0	-	-
Due from Sagicor International Balanced Fund	331,520	0	209,028	0
Interest and other receivables	5,566,129	1	2,154,291	0
Cash resources	26,137,162	6	3,238,752	1
Other financial assets	**33,381,222**	**7**	**13,862,534**	**3**
Total exposures	**451,489,863**	**99**	**430,023,027**	**99**
Mortgage loan commitments	4,815,042	1	5,039,992	1
Total	**456,304, 905**	**100**	**435,063,019**	**100**

8. FINANCIAL RISK (continued)

8.2 Credit risk exposure – financial assets subject to impairment (continued)

Financial assets carried at amortised cost are subject to credit impairment losses which are recognised in the statement of income and comprehensive income.

The following tables contain analyses of the credit risk exposure of financial investments for which an ECL allowance is recognised.

	Mortgages loans – amortised cost				
	2023				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	POCI	Total
December 31:					
Credit grade:					
Investment	71,672,415	2,797,809	-	-	74,470,224
Non-Investment	43,243,271	3,291,241	-	-	46,534,512
Watch	-	-	4,533,923	-	4,533,923
Default	-	-	3,503,316	-	3,503,316
Gross carrying amount	114,915,686	6,089,050	8,037,239	-	129,041,975
Loss allowance	(161,801)	(20,362)	(957,535)	-	(1,139,698)
Net carrying amount	114,753,885	6,068,688	7,079,704	-	127,902,277

	Mortgages loans – amortised cost				
	2022				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	POCI	Total
December 31:					
Credit grade:					
Investment	69,934,423	4,982,805	-	-	74,917,228
Non-Investment	28,700,864	3,095,294	-	-	31,796,158
Watch	-	-	6,449,794	-	6,449,794
Default	-	-	4,009,436	-	4,009,436
Gross carrying amount	98,635,287	8,078,099	10,459,230	-	117,172,616
Loss allowance	(116,311)	(19,135)	(1,411,535)	-	(1,546,981)
Net carrying amount	98,518,976	8,058,964	9,047,695	-	115,625,635



8. FINANCIAL RISK (continued)

8.2 Credit risk exposure – financial assets subject to impairment (continued)

	Term Deposits – amortised cost				
	2023				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	POCI	Total
December 31:					
Credit grade:					
Investment	-	-	-	-	-
Non-Investment	-	-	-	-	-
Watch	-	-	-	-	-
Default	-	-	-	-	-
Gross carrying amount	-	-	-	-	-
Loss allowance	-	-	-	-	-
Net carrying amount	-	-	-	-	-

	Term Deposits – amortised cost				
	2022				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	POCI	Total
December 31:					
Credit grade:					
Investment	2,016,384	-	-	-	2,016,384
Non-Investment	509,661	-	-	-	509,661
Watch	-	-	-	-	-
Default	-	-	-	-	-
Gross carrying amount	2,526,045	-	-	-	2,526,045
Loss allowance	(1,381)	-	-	-	(1,381)
Net carrying amount	2,524,664	-	-	-	2,524,664

8. FINANCIAL RISK (continued)

8.3 Credit impairment losses – financial assets subject to impairment

The allowance for ECL is recognised in each reporting period and is impacted by a variety of factors, as described below:

- Transfers between stages due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired during the period;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to inputs used in the calculation including the effect of 'step-up' (or 'step down') between 12-month and life-time ECL;
- Impacts on the measurement of ECL due to changes made to models and assumptions; and
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements.

The following tables contain analyses of the movement of loss allowances in respect of financial investments subject to impairment.

LOSS ALLOWANCES

	Mortgage loans – amortised cost				
	2023				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	POCI	Total
Loss allowance, beginning of year	116,311	19,135	1,411,535	-	1,546,981
Transfers:					
Stage 1 to Stage 2	(3,175)	3,175	-	-	-
Stage 1 to Stage 3	-	-	-	-	-
Stage 2 to Stage 1	13,253	(13,253)	-	-	-
Stage 2 to Stage 3	-	-	-	-	-
Stage 3 to Stage 2	-	-	-	-	-
Stage 3 to Stage 1	190,110	-	(190,110)	-	-
Loans originated or purchased	24,564	931	-	-	25,495
Loans fully derecognised	(6,681)	(34)	(281,438)	-	(288,153)
Write-offs	-	-	-	-	-
Changes in ECL inputs, models and / or assumptions	(172,581)	10,408	17,548	-	(144,625)
Loss allowance, end of year	161,801	20,362	957,535	-	1,139,698
Credit impairment reduction recorded in income					407,283

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8. FINANCIAL RISK (continued)

8.3 Credit impairment losses – financial assets subject to impairment (continued)

LOSS ALLOWANCES

	Mortgage loans – amortised cost				
	2022				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	POCI	Total
Loss allowance, beginning of year	96,071	26,754	1,016,742	-	1,139,567
Transfers:					
Stage 1 to Stage 2	(5,894)	5,894	-	-	-
Stage 1 to Stage 3	-	-	-	-	-
Stage 2 to Stage 1	10,996	(10,996)	-	-	-
Stage 2 to Stage 3	-	(5,336)	5,336	-	-
Stage 3 to Stage 2	-	-	-	-	-
Stage 3 to Stage 1	-	-	-	-	-
Loans originated or purchased	15,361	-	-	-	15,361
Loans fully derecognised	(3,162)	(3,851)	-	-	(7,013)
Write-offs	-	-	-	-	-
Changes in ECL inputs, models and / or assumptions	2,939	6,670	389,457	-	399,066
Loss allowance, end of year	116,311	19,135	1,411,535	-	1,546,981
Credit impairment losses recorded in income					(407,414)

LOSS ALLOWANCES

	Term Deposits – amortised cost				
	2023				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	POCI	Total
Loss allowance, beginning of year	1,381	-	-	-	1,381
Term deposits originated or purchased	-	-	-	-	-
Term deposits fully derecognised	(1,381)	-	-	-	(1,381)
Loss allowance, end of year	-	-	-	-	-
Credit impairment reduction recorded in income					1,381

8. FINANCIAL RISK (continued)

8.3 Credit impairment losses – financial assets subject to impairment (continued)

LOSS ALLOWANCES

	Term Deposits – amortised cost				
	2022				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	POCI	Total
Loss allowance, beginning of year	1,171	-	-	-	1,171
Term deposits originated or purchased	1,381	-	-	-	1,381
Term deposits fully derecognised	(1,171)	-	-	-	(1,171)
Loss allowance, end of year	1,381	-	-	-	1,381
Credit impairment losses recorded in income					(210)

(a) Impaired Mortgages

Balances relating to impaired financial investments are summarised in the following table. The accumulated allowance for impairment losses reflects the Fund's assessment of total individually impaired investments at date of the financial statements.

Mortgage Loans	Gross carrying value $	Accumulated allowances for impairment $	Net carrying value $	Estimated fair value of collateral $
As of December 31, 2023				
Commercial sector	2,276,212	-	2,276,212	6,398,818
Residential sector	5,761,027	(957,535)	4,803,492	14,258,000
Total	8,037,239	(957,535)	7,079,704	20,656,818

Mortgage Loans	Gross carrying value $	Accumulated allowances for impairment $	Net carrying value $	Estimated fair value of collateral $
As of December 31, 2022				
Commercial sector	2,640,924	-	2,640,924	9,006,000
Residential sector	7,818,306	(1,411,535)	6,406,771	19,985,000
Total	10,459,230	(1,411,535)	9,047,695	28,991,000

For mortgage loans, the collateral is real estate property, and the approved loan limit is 75% to 95% of collateral value. .

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8. FINANCIAL RISK (continued)

8.3 Credit impairment losses – financial assets subject to impairment (continued)

(b) Repossessed assets

The Fund may foreclose on overdue mortgage loans by repossessing the pledged asset. The Fund will seek to dispose of the pledged asset by sale. In some instances, the Fund may provide re-financing to a new purchaser on customary terms.

No assets were repossessed during the year (2022 – Nil).

(c) Renegotiated assets

The Fund may renegotiate the terms of any financial investment to facilitate borrowers in financial difficulty. Arrangements to waive, adjust or postpone scheduled amounts due may be entered into. The Fund classifies these amounts as past due, unless the original agreement is formally revised, modified or substituted, in which case, the financial investment is classified as renegotiated.

No assets were re-negotiated during the year (2022 – Nil).

(d) Economic variable assumptions

The Fund has selected the following economic factor which provide the overall macroeconomic environment in considering forward looking information for base, upside and downside forecasts. These are as follows:

	As of December 31, 2023			As of December 31, 2022		
	2024	2025	2026	2023	2024	2025
World GDP						
Base	2.9%	3.2%	3.2%	2.7%	3.2%	3.4%
Upside	4.5%	4.9%	4.9%	4.1%	4.8%	5.1%
Downside	2.1%	2.4%	2.4%	1.9%	2.3%	2.4%

The preceding economic variable assumptions relate to term deposits carried at amortised cost for which there was none this year-end.

The Fund's lending operations in Barbados has limited readily available information regarding economic forecasts. Management has examined the information within the market and selected economic drivers that have the best correlation to the portfolio's performance. Economic state is assigned to reflect the driver's impact on ECL.

Barbados	Expected state for the next 12 months	Scenario
Unemployment rate	Base	Negative
	Upside	Stable
	Downside	Super Negative
GDP growth	Base	Negative
	Upside	Stable
	Downside	Super Negative

8. FINANCIAL RISK (continued)

8.4 Gross Carrying Values – financial investments subject to impairment

The following tables explain the movement in the gross carrying amounts of mortgages, term deposits and in the ECL classifications for the year. Gross carrying amounts represent the maximum exposure to credit risk.

	Mortgage loans – amortised cost				
	2023				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	POCI	Total
Gross carrying amount, beginning of year	98,635,286	8,078,100	10,459,230	-	117,172,616
Transfers:					
Stage 1 to Stage 2	(2,692,334)	2,692,334	-	-	-
Stage 1 to Stage 3	-	-	-	-	-
Stage 2 to Stage 1	5,602,436	(5,602,436)	-	-	-
Stage 2 to Stage 3	-	-	-	-	-
Stage 3 to Stage 2	-	-	-	-	-
Stage 3 to Stage 1	1,058,271	-	(1,058,271)	-	-
Loans originated or purchased	18,081,957	278,296	-	-	18,360,253
Loans fully derecognised	(6,336,115)	(14,263)	(965,704)	-	(7,316,082)
Write-offs	-	-	-	-	-
Changes in principal and interest	566,185	657,019	(398,016)	-	825,188
Gross carrying amount, end of year	114,915,686	6,089,050	8,037,239	-	129,041,975



8. FINANCIAL RISK (continued)

8.4 Gross Carrying Values – financial investments subject to impairment (continued)

Mortgage loans – amortised cost

	2022				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	POCI	Total
Gross carrying amount, beginning of year	90,976,143	9,113,890	9,966,743	-	110,056,776
Transfers:					
Stage 1 to Stage 2	(5,581,762)	5,581,762	-	-	-
Stage 1 to Stage 3	-	-	-	-	-
Stage 2 to Stage 1	3,675,185	(3,675,185)	-	-	-
Stage 2 to Stage 3	-	(1,920,068)	1,920,068	-	-
Stage 3 to Stage 2	-	748,618	(748,618)	-	-
Stage 3 to Stage 1	616,134	-	(616,134)	-	-
Loans originated or purchased	13,026,618	-	-	-	13,026,618
Loans fully derecognised	(2,994,481)	(1,286,977)	(17,886)	-	(4,299,344)
Write-offs	-	-	-	-	-
Changes in principal and interest	(1,082,551)	(483,940)	(44,943)	-	(1,611,434)
Gross carrying amount, end of year	98,635,286	8,078,100	10,459,230	-	117,172,616

Term Deposits – amortised cost

	2023				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	POCI	Total
Gross carrying amount, beginning of year	2,526,045	-	-	-	2,526,045
Deposits originated or purchased	-	-	-	-	-
Deposits fully derecognised	(2,526,045)	-	-	-	(2,526,045)
Gross carrying amount, end of year	-	-	-	-	-

8. FINANCIAL RISK (continued)

8.4 Gross Carrying Values – financial investments subject to impairment (continued)

Term Deposits – amortised cost

	2022				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	POCI	Total
Gross carrying amount, beginning of year	5,951,838	-	-	-	5,951,838
Deposits originated or purchased	2,526,045	-	-	-	2,526,045
Deposits fully derecognised	(5,951,838)	-	-	-	(5,951,838)
Gross carrying amount, end of year	2,526,045	-	-	-	2,526,045

8.5 Liquidity risk

The Fund is exposed to daily calls on its available cash resources for redemptions and operating expenses. Liquidity risk is the exposure that the Fund may have insufficient cash resources to meet these obligations as they become due. Liquidity risk also arises when excess funds accumulate resulting in the loss of opportunities to increase investment returns.

In order to manage liquidity risks, management seeks to maintain levels of cash and deposits which are sufficient to meet reasonable expectations of its short term obligations. If necessary the Fund's secondary source of liquidity is its highly liquid instruments in its investment portfolio.

In accordance with the Fund's policy, the Fund Manager and the Board of Directors of the Trustee monitor the Fund's liquidity position on a quarterly basis.

Contractual cash flow obligations of the Fund in respect of its financial liabilities are summarised in the following table. Amounts are analysed by their earliest contractual maturity dates and consist of the contractual un-discounted cash flows. Where the interest rate of an instrument for a future period has not been determined as of the date of the financial statements, it is assumed that the interest rate then prevailing continues until final maturity.



8. FINANCIAL RISK (continued)

8.5 Liquidity risk (continued)

(a) Financial liabilities

As of December 31, 2023	On demand $	Within 1 year $	1 to 5 years $	After 5 years $	Total $
Accounts payable	18,873,876	-	-	-	18,873,876
Due to Sagicor Asset Management Inc.	16,522	-	-	-	16,522
Off balance sheet commitments:					
Mortgage loan commitments	-	4,815,042	-	-	4,815,042
Total	18,890,398	4,815,042	-	-	23,705,440

As of December 31, 2022	On demand $	Within 1 year $	1 to 5 years $	After 5 years $	Total $
Accounts payable	880,278	-	-	-	880,278
Due to Sagicor Asset Management Inc.	16,522	-	-	-	16,522
Due to Sagicor (Equity) Fund	1,869,766	-	-	-	1,869,766
Off balance sheet commitments:					
Mortgage loan commitments	-	5,039,992	-	-	5,039,992
Total	2,766,566	5,039,992	-	-	7,806,558

8. FINANCIAL RISK (continued)

8.5 Liquidity risk (continued)

(b) Financial assets

The Fund's monetary financial assets mature in periods which are summarised in the following tables. Amounts are stated at their carrying values recognised in the financial statements and are analysed by their contractual maturity dates.

As of December 31, 2023	Maturing within 1 year $	Maturing within 1 to 5 years $	Maturing after 5 years $	Total $
Due from Sagicor Life Inc.	78,044	-	-	78,044
Due from Sagicor (Equity) Fund	1,268,367	-	-	1,268,367
Due from Sagicor International Balanced Fund	331,520	-	-	331,520
Interest and other receivables	5,566,129	-	-	5,566,129
Debt securities	32,256,970	105,328,896	152,620,498	290,206,364
Mortgage loans, net	3,936,419	4,522,026	119,443,832	127,902,277
Cash resources	26,137,162	-	-	26,137,162
Total	69,574,611	109,850,922	272,064,330	451,489,863

As of December 31, 2022	Maturing within 1 year $	Maturing within 1 to 5 years $	Maturing after 5 years $	Total $
Due from Sagicor Life Inc.	8,260,463	-	-	8,260,463
Due from Sagicor International Balanced Fund	209,028	-	-	209,028
Interest and other receivables	2,154,291	-	-	2,154,291
Debt securities	44,401,522	112,673,672	140,935,000	298,010,194
Deposits	2,524,664	-	-	2,524,664
Mortgage loans, net	4,270,264	3,583,275	107,772,096	115,625,635
Cash resources	3,238,752	-	-	3,238,752
Total	65,058,984	116,256,947	248,707,096	430,023,027

Redeemable units are redeemed at the option of the holder. However, the Board of Directors of the Trustee does not envisage that unit holders will completely redeem their units as they typically hold them for the long-term. At December 2023, an individual unit holder, Sagicor Life Inc, held 12% of the fund's units (2022 - Sagicor Life Inc. held 12%). The Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within a short period.

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8. FINANCIAL RISK (continued)

8.5 Liquidity risk (continued)

The following table shows the ordinary redemption periods of the funds held.

As of December 31, 2023	Less than 7 days	Monthly	Quarterly	1 Year	More than 1 year
Funds	16,482,680	-	-	-	-

As of December 31, 2022	Less than 7 days	Monthly	Quarterly	1 Year	More than 1 year
Funds	18,574,294	-	-	-	-

8.6 Market risk Interest Rate Risk

The Fund is exposed to interest rate risks. Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

The return on financial investments may be variable, fixed for a term or fixed to maturity. On reinvestment of a matured investment, the returns available on the new investment may be significantly different from the returns formerly achieved. This is known as reinvestment risk.

The Fund is therefore exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase or decrease as a result of such changes.

In accordance with the Fund's policy, the Fund Manager and the Board of Directors of the Trustee monitor and review the Fund's overall interest sensitivity on a quarterly basis.

(a) Financial liabilities

As of December 31, 2023 and 2022 all of the Fund's financial liabilities were non-interest bearing and therefore not exposed to interest rate risk.

The table below summarises the exposures to interest rate of the Fund's financial liabilities.

As of December 31, 2023	Exposure within 1 year $	Exposure of 1 to 5 years $	Exposure after 5 years $	Not exposed to interest $	Total $
Due to Sagicor Asset Management Inc.	-	-	-	16,522	16,522
Accounts payable	-	-	-	18,873,876	18,873,876
Total	-	-	-	18,890,398	18,890,398

As of December 31, 2022	Exposure within 1 year $	Exposure of 1 to 5 years $	Exposure after 5 years $	Not exposed to interest $	Total $
Due to Sagicor Asset Management Inc.	-	-	-	16,522	16,522
Due to Sagicor (Equity) Fund	-	-	-	1,869,766	1,869,766
Accounts payable	-	-	-	880,278	880,278
Total	-	-	-	2,766,566	2,766,566

8. FINANCIAL RISK (continued)

8.6 Market risk Interest Rate Risk (continued)

(b) Financial assets

The table below summarises the exposures to interest rate risks of the Fund's financial assets. It includes assets at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

As of December 31, 2023	Exposure within 1 year $	Exposure of 1 to 5 years $	Exposure after 5 years $	Not exposed to interest $	Total $
Due from Sagicor Life Inc.	-	-	-	78,044	78,044
Due from Sagicor (Equity) Fund	-	-	-	1,268,367	1,268,367
Due from Sagicor International Balanced Fund	-	-	-	331,520	331,520
Interest and other receivables	-	-	-	5,566,129	5,566,129
Debt securities	31,997,911	103,908,958	151,364,369	2,935,126	290,206,364
Equity securities	-	-	-	19,259,220	19,259,220
Mortgage loans	3,166,349	4,449,851	119,288,740	997,337	127,902,277
Cash resources	-	-	-	26,137,162	26,137,162
Total	35,164,260	108,358,809	270,653,109	56,572,905	470,749,083

As of December 31, 2022	Exposure within 1 year $	Exposure of 1 to 5 years $	Exposure after 5 years $	Not exposed to interest $	Total $
Due from Sagicor Life Inc.	-	-	-	8,260,463	8,260,463
Due from Sagicor International Balanced Fund	-	-	-	209,028	209,028
Interest and other receivables	-	-	-	2,154,291	2,154,291
Debt securities	44,102,857	111,165,943	139,953,349	2,788,045	298,010,194
Equity securities	-	-	-	20,498,168	20,498,168
Deposits	2,506,167	-	-	18,497	2,524,664
Mortgage loans	3,420,949	3,586,897	107,435,573	1,182,216	115,625,635
Cash resources	-	-	-	3,238,752	3,238,752
Total	50,029,973	114,752,840	247,388,922	38,349,460	450,521,195

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8. FINANCIAL RISK (continued)

8.6 Market risk Interest Rate Risk (continued)

(b) Financial assets (continued)

The table below summarises the average interest yields on financial assets held during the year.

	2023	2022
Debt securities	4.3%	4.8%
Deposits	-	1.9%
Mortgage loans	4.4%	4.4%

Sensitivity

The effect of a 1% change in interest rates, with all other variables remaining constant, to the fair value of the interest bearing financial assets at the date of the financial statements is as follows.

As of December 31, 2023	$
Total interest bearing FVTPL financial assets carried at fair value	287,271,238
The fair value impact of an increase in interest rates:	(16,818,372)
The fair value impact of a decrease in interest rates:	16,603,870

Foreign exchange risk

The Fund is exposed to foreign exchange risk as a result of fluctuations in exchange rates since its financial assets are denominated in a number of different currencies. In order to manage foreign exchange risk, the Fund monitors the fluctuation in foreign exchange rates on a periodic basis. The Fund's exposure to foreign exchange risk is however not considered to be significant as the US and EC rates are fixed to the Barbados dollar which is the functional and reporting currency.

8. FINANCIAL RISK (continued)

8.6 Market risk Interest Rate Risk (continued)

Foreign exchange risk (continued)

Monetary assets and liabilities by currency are summarised in the following table.

Balances denominated in

	Balances denominated in				
As of December 31, 2023	Barbados $	Trinidad $	US $	EC $	Total $
ASSETS					
Due from Sagicor Life Inc.	78,044	-	-	-	78,044
Due from Sagicor (Equity) Fund	1,268,367	-	-	-	1,268,367
Due from Sagicor					
International Balanced Fund	-	-	-	331,520	331,520
Interest and other receivables	5,534,911	20,712	10,506	-	5,566,129
Financial investments	240,197,408	1,076,556	192,450,613	3,643,284	437,367,861
Cash resources	4,487,324	-	21,649,838	-	26,137,162
Total assets	251,566,054	1,097,268	214,110,957	3,974,804	470,749,083
LIABILITIES					
Due to Sagicor Asset Management Inc.	16,522	-	-	-	16,522
Accounts payable	18,873,876	-	-	-	18,873,876
Total liabilities	18,890,398	-	-	-	18,890,398
Net position	232,675,656	1,097,268	214,110,957	3,974,804	451,858,685

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8. FINANCIAL RISK (continued)

8.6 Market risk Interest Rate Risk (continued)

Foreign exchange risk (continued)

As of December 31, 2022	Balances denominated in Barbados $	Trinidad $	US $	EC $	Total $
ASSETS					
Due from Sagicor Life Inc.	8,260,463	-	-	-	8,260,463
Due from Sagicor					
International Balanced Fund	-	-	-	209,028	209,028
Interest and other receivables	2,126,709	17,076	10,506	-	2,154,291
Financial investments	225,342,043	1,231,529	201,594,764	8,490,325	436,658,661
Cash resources	1,271,210	-	1,967,542	-	3,238,752
Total assets	237,000,425	1,248,605	203,572,812	8,699,353	450,521,195
LIABILITIES					
Due to Sagicor Asset Management Inc.	16,522	-	-	-	16,522
Due to Sagicor (Equity) Fund	1,869,766	-	-	-	1,869,766
Accounts payable	880,278	-	-	-	880,278
Total liabilities	2,766,566	-	-	-	2,766,566
Net position	234,233,859	1,248,605	203,572,812	8,699,353	447,754,629

Sensitivity

The Fund is exposed to currency risk in respect of financial investments denominated in currencies whose values have noticeably fluctuated against the Barbados dollar.

The exposure to currency risk may arise in relation to the future cash flows of a financial instrument.

The most common example of this occurring in the Fund is a financial investment which is denominated in a currency other than the functional currency. In this instance, a change in currency exchange rates results in the financial investment being retranslated and the exchange gain or loss is taken to income and is included in Note 11.

The currency whose value has noticeably fluctuated against the Barbados dollar (BDS) is the Trinidad dollar (TTD). The theoretical impact of the TTD on reported results is considered below.

8. FINANCIAL RISK (continued)

8.6 Market risk Interest Rate Risk (continued)

Foreign exchange risk (continued)

The effect of a 10% depreciation in the TTD relative to the BDS arising from TTD financial investments as of December 31, 2023 and for the year then ended is considered below.

	Balances denominated in TTD $	Effect of a 10% depreciation on income as of Dec 31, 2023 $	Balances denominated in TTD $	Effect of a 10% depreciation on income as of Dec 31, 2022 $
Financial Investments	1,076,556	(107,656)	1,231,529	(123,153)

A 10% appreciation in the TTD relative to the BDS would have equal and opposite effects to those disclosed above.

Other Price Risk

The Fund is exposed to other price risk arising from changes in equity prices. The Fund mitigates this risk by holding a diversified portfolio and by the selection of securities and other financial instruments within specified limits set by the Board of Directors of the Trustee.

The Fund's policy also limits individual equity securities to no more than 10% of the full portfolio.

Approximately fifty percent of the Fund's equity investments are publicly traded. The Fund's policy requires that the overall market position is monitored on a daily basis by the Fund Manager and reviewed on a quarterly basis by the Board of Directors of the Trustee.

Sensitivity

The effects of an across the board 20% decline in equity prices of the Fund's fair value through profit or loss equity securities at the financial statement date is set out below.

	Fair value $	Effect of a 20% decline at Dec 31, 2023 $	Fair value $	Effect of a 20% decline at Dec 31, 2022 $
Fair value through profit or loss equity securities:				
Listed on Caribbean and US stock exchanges and markets	2,776,540	(555,308)	1,923,874	(384,775)
Mutual funds - Listed	16,482,680	(3,296,536)	18,574,294	(3,714,859)
	19,259,220	(3,851,844)	20,498,168	(4,099,634)



8. FINANCIAL RISK (continued)

8.7 Fair value of financial instruments

Financial instruments carried at fair value in the financial statements are measured in accordance with a fair value hierarchy. This hierarchy is as follows:

(a) Level 1 – unadjusted quoted prices in active markets for identical instruments.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange or other independent source, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Fund considers that market transactions should occur with sufficient frequency that is appropriate for the particular market, when measured over a continuous period preceding the date of the financial statements. If there is no data available to substantiate the frequency of market transactions of a financial instrument, then the instrument is not classified as Level 1.

(b) Level 2 – inputs that are observable for the instrument, either directly or indirectly.

A financial instrument is classified as Level 2 if:

- The fair value is derived from quoted prices of similar instruments which would not be classified as Level 1; or
- The fair value is determined from quoted prices that are observable but there is no data available to substantiate frequent market trading of the instrument.

In estimating the fair value of non-traded financial assets, the Fund uses a variety of methods such as obtaining dealer quotes and using discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are discounted at market-derived rates for government securities in the same country of issue as the security; for non-government securities, an interest spread is added to the derived rate for a similar government security rate according to the perceived additional risk of the non-government security.

(c) Level 3 – inputs for the instrument that are not based on observable market data.

A financial instrument is classified as Level 3 if:

- The fair value is derived from inputs that are not based on observable market data.

Level 3 financial assets designated at fair value through profit or loss comprise primarily of corporate, government agency and government sovereign debt instruments issued in the Caribbean. The fair values of these instruments have been derived from December 31 market yields of government instruments of similar durations in the country of issue of the instruments.

The techniques and methods described in the preceding section for non-traded financial assets and liabilities are used in the determination of the fair values of Level 3 instruments.

8. FINANCIAL RISK (continued)

8.7 Fair value of financial instruments (continued)

(c) Level 3 – inputs for the instrument that are not based on observable market data (continued)

The following table shows the financial assets are carried at fair value at December 31 on a security basis by level of the fair value hierarchy.

2023	Level 1	Level 2	Level 3	Total
Financial assets classified at fair value through profit or loss:	**$**	**$**	**$**	**$**
Debt securities	48,976,694	117,571,773	123,657,897	290,206,364
Common shares	2,765,770	10,770	-	2,776,540
Mutual funds	7,203,616	9,279,064	-	16,482,680
Total assets	58,946,080	126,861,607	123,657,897	309,465,584
Total assets by percentage	19%	41%	40%	100%

2022	Level 1	Level 2	Level 3	Total
Financial assets classified at fair value through profit or loss:	**$**	**$**	**$**	$
Debt securities	49,020,664	114,705,952	134,283,578	298,010,194
Common shares	1,911,937	11,937	-	1,923,874
Mutual funds	9,481,658	9,092,636	-	18,574,294
Total assets	60,414,259	123,810,525	134,283,578	318,508,362
Total assets by percentage	19%	39%	42%	100%

The table below provides information about the fair value measurements using significant unobservable inputs (level 3).

Description	Fair Value at December 31		Valuation Technique	Unobservable Inputs	Range of Inputs		Relationship of Unobservable Inputs to fair value
	2023 $	2022 $			2023	2022	
Debt securities	123,657,897	134,283,578	Discounted Cash Flows	Risk Adjusted Market Yields	1.8% - 9.2% Avg (8.6%)	1.1% -8.9% Avg (2.8%)	The effect of a 1% increase in interest rates would decrease the fair value by ($11,283,882) and a 1% decrease in interest rates would increase the fair values by $10,790,192



8. FINANCIAL RISK (continued)

8.7 Fair value of financial instruments (continued)

(c) Level 3 – inputs for the instrument that are not based on observable market data (continued)

The following table presents the movement in Level 3 instruments for the year.

	2023 $	2022 $
Balance, beginning of year	134,283,578	129,892,432
Fair value changes recorded in income	5,240,883	5,261,375
Additions	2,299,579	4,799,408
Disposals	(18,182,864)	(2,022,025)
Transfer out	-	(3,694,218)
Effect of accrued income changes	16,721	46,606
Balance, end of year	123,657,897	134,283,578

Unrealised gains of $5,240,883 (2022 – $5,261,375) on level 3 instruments held at the end of the year are included in Net investment gains / (losses) on financial investments. See note 11.

The fair value hierarchy of fixed rate mortgages not carried at fair value, but for which fair value disclosure is required is set out in the following table. Owing to their nature, the carrying value of variable rate mortgages approximate fair value.

As at December 31, 2023	Level 1	Level 2	Level 3	Total
	$	$	$	$
Mortgage loans	-	-	62,825,302	62,825,302
	-	-	62,825,302	62,825,302

As at December 31, 2022	Level 1	Level 2	Level 3	Total
	$	$	$	$
Mortgage loans	-	-	54,160,321	54,160,321
	-	-	54,160,321	54,160,321

8.8 Capital risk management

The capital of the Fund is represented by unit holders' equity. Unit holders' equity changes on a daily basis as the Fund is subject to the redemption and issue of units at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and to maintain a strong capital base to support the development of the investment activities of the Fund.

In order to maintain or adjust the capital structure, the Fund's policy is to redeem and issue units in accordance with the terms of the trust deed which includes the ability to restrict redemptions.

The Board of Directors of the Trustee and Fund Manager monitor capital on the basis of unit holders' equity.

9. ACCOUNTS PAYABLE

	2023 $	2022 $
Unsettled transactions	16,682,557	-
Pension benefits and other payables	2,191,319	880,278
	18,873,876	880,278

10. INTEREST INCOME

The Fund manages its financial investments by the type of financial instrument (i.e. debt securities, deposits, mortgage loans, etc.) and the income therefrom is presented accordingly.

	2023 $	2022 $
Debt securities	12,282,099	11,407,407
Deposits	57,431	79,049
Mortgage loans	5,232,465	4,862,965
Other loans	-	45
Total interest income	17,571,995	16,349,466

11. NET INVESTMENT GAINS / (LOSSES)

	2023 $	2022 $
Net gains / (losses) on financial investments	7,926,529	(13,889,949)



12. RELATED PARTY TRANSACTIONS

(a) Material related party transactions

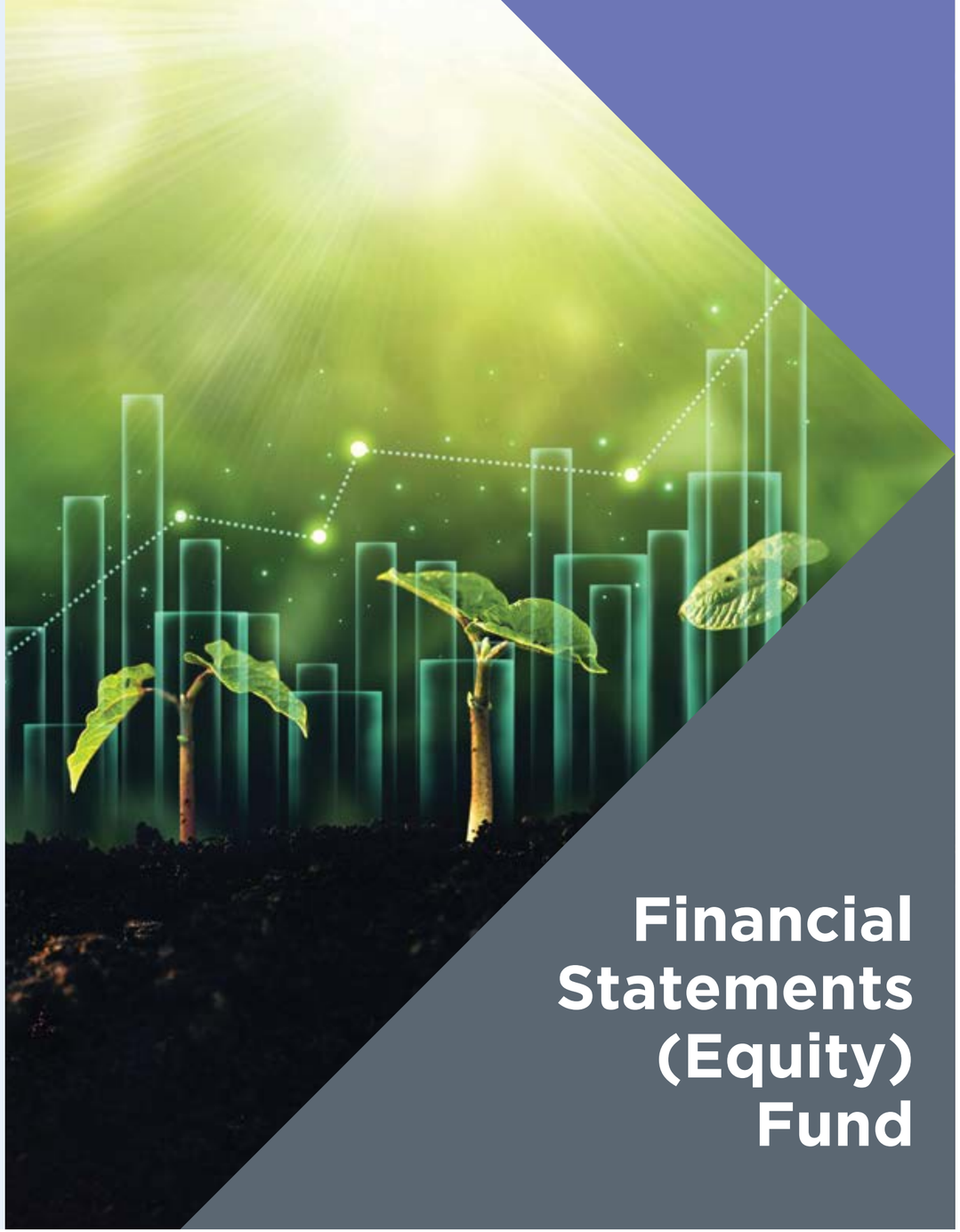
	2023 $	2022 $
Management fee – Sagicor Life Inc.	2,274,868	2,271,160

(b) Units held by related parties

Parties related to the Fund held units in the Fund during the year as follows:

Sagicor Life Inc.	2023 $	2022 $
Value of units held at January 1	66,587,188	71,103,187
Net value of transactions for the year	(852,914)	(4,515,999)
Value of units at December 31	65,734,274	66,587,188

Sagicor General Inc.	2023 $	2022 $
Value of units held at January 1	6,925,076	7,128,707
Net value of transactions for the year	218,652	(203,631)
Value of units at December 31	7,143,728	6,925,076



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Independent auditor's report

To the Unit holders of Sagicor (Equity) Fund

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sagicor (Equity) Fund (the Fund) as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at December 31, 2023;
- the statement of income and comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unit holders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matter

This report is made solely to the Fund's unit holders as a body. Our audit work has been undertaken so that we might state to the Fund's unit holders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law and subject to any enactment or rule of law to the contrary, we do not accept or assume responsibility to anyone other than the Fund and the Fund's unit holders as a body, for our audit work, for this report, or for the opinion we have formed.

PricewaterhouseCoopers SRL

Bridgetown, Barbados
May 9, 2024

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Statement of Financial Position
As of December 31, 2023

Sagicor (Equity) Fund
Amounts expressed in Barbados Dollars

	Notes	2023	2022
ASSETS			
Investment property	4, 11	52,870,000	53,200,000
Property, plant and equipment		1,198,877	1,274,826
Investment in associated companies	5	5,802,310	6,231,805
Due from Sagicor (Bonds) Fund	6	-	1,822,538
Due from Sagicor International Balanced Fund	6	148,524	81,158
Due from associated company	5	22,663	22,663
Income tax assets	7	449,918	1,077,720
Real estate developed for resale	8	2,035,415	2,016,107
Accounts receivable	9	12,894,164	8,924,468
Financial investments	10	566,435,931	536,166,188
Cash resources		20,126,617	19,279,464
Total assets		661,984,419	630,096,937
LIABILITIES			
Deposits received on real estate developed for resale	8	-	5,600
Due to Sagicor (Bonds) Fund	6	1,531,482	-
Due to Sagicor Life Inc.	6	2,937,878	2,653,712
Due to Sagicor Global Balanced Fund	6	170,210	83,000
Accounts payable	13	4,193,803	2,810,904
Total liabilities		8,833,373	5,553,216
Net assets attributable to unit holders		653,151,046	624,543,721
Represented by:			
UNIT HOLDERS' EQUITY		653,151,046	624,543,721

	2023	2022
No. of units outstanding at end of year	8,803,901	9,088,951
Net asset value per unit at end of year	$74.19	$68.71
Increase / (Decrease) in net asset value per unit for year	7.97%	(7.55) %

The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors on May 9, 2024

Chairman

Director

Statement of Changes in Net Assets Attributable to Unit Holders
For the year ended December 31, 2023

Sagicor (Equity) Fund
Amounts expressed in Barbados Dollars

	2023		2022	
	Number of Units	Total $	Number of Units	Total $
Balance, beginning of year	9,088,951	624,543,721	9,181,358	682,364,401
Proceeds from issue of units	245,431	17,327,722	573,810	40,523,135
Redemption of units	(530,481)	(37,438,443)	(666,217)	(46,832,630)
Net decrease from unit transactions	(285,050)	(20,110,721)	(92,407)	(6,309,495)
Net income / (loss) and total comprehensive income / (loss) for the year available to unit holders	-	48,718,046	-	(51,511,185)
Balance, end of year	8,803,901	653,151,046	9,088,951	624,543,721

The accompanying notes are an integral part of these financial statements.

Statement of Income and Comprehensive Income

As of December 31, 2023

Sagicor (Equity) Fund

Amounts expressed in Barbados Dollars

	Notes	2023	2022
REVENUE			
Interest income	14	2,090,969	1,665,011
Dividend income		10,070,640	10,188,321
Net rental income	15	2,220,640	2,101,480
Share of operating (loss) / income of associated companies	5	(429,495)	762,563
Net investment gains / (losses)	16	44,469,628	(56,995,440)
Credit impairment losses		(38,833)	(12,437)
		58,383,549	(42,290,502)
EXPENSES			
Management fee	17	4,760,872	4,795,790
Investment expenses		119,551	209,860
Commissions and brokers' fees		3,565,906	3,497,339
Charge for impairment loss on income tax assets		628,297	-
Total operating expenses		9,074,626	8,502,989
INCOME / (LOSS) BEFORE TAXES		49,308,923	(50,793,491)
Withholding taxes		(590,877)	(717,694)
NET INCOME / (LOSS) AND TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR AVAILABLE TO UNIT HOLDERS		48,718,046	(51,511,185)

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

For the year ended December 31, 2023

Sagicor (Equity) Fund

Amounts expressed in Barbados Dollars

	2023	2022
Cash flows from operating activities:		
Income / (loss) before taxes	49,308,923	(50,793,491)
Interest income	(2,090,969)	(1,665,011)
Dividend income	(10,070,640)	(10,188,321)
Net (gains) / losses on financial investments	(44,799,628)	56,162,107
Reduction in fair value of investment property	330,000	833,333
Depreciation of property, plant and equipment	111,723	60,770
Allowance for impairment losses	38,833	12,437
Charge for impairment losses on income tax assets	628,297	-
Share of operating gain / (loss) of associated companies	429,495	(762,563)
	(6,113,966)	(6,340,739)
Changes in operating assets and liabilities		
Accounts receivable	(3,963,004)	(2,995,294)
Due from Sagicor (Bonds) Fund	-	(1,207,463)
Due from Sagicor International Balanced Fund	(67,365)	79,289
Deposit repaid on Real estate developed for resale	(5,600)	
Due to Sagicor Life Inc.	284,166	2,416,981
Due to Sagicor Global Balanced Fund	87,210	36,391
Due to Sagicor (Bonds) Fund	3,354,020	-
Accounts payable	1,382,899	(3,568,521)
Issue of mortgage loans	(11,095,520)	(6,484,602)
Repayment of mortgage loans	12,188,064	1,997,300
Purchase of debt securities	(6,232,589)	(632,094)
Redemption of debt securities	8,439,616	-
Proceeds from sale of equity securities	136,627,207	140,810,534
Purchase of equity securities	(125,427,678)	(138,326,524)
Additions to equipment	(35,774)	(6,221)
Real estate developed for resale	(19,308)	(33,471)
Cash generated from/ (used in) operations	9,402,378	(14,254,434)
Interest received	2,082,922	1,701,113
Dividends received	10,063,946	11,016,577
Taxes paid	(591,372)	(718,257)
Net cash generated from / (used in) operating activities carried forward	20,957,874	(2,255,001)

Statement of Cash Flows
For the year ended December 31, 2023

Sagicor (Equity) Fund
Amounts expressed in Barbados Dollars

	2023	2022
Net cash generated from / (used in) operating activities brought forward	20,957,874	(2,255,001)
Cash flows from financing activities		
Proceeds from issue of units	17,327,722	40,523,135
Redemptions of units	(37,438,443)	(46,832,630)
Net cash used in financing activities	(20,110,721)	(6,309,495)
Net increase / (decrease) in cash and cash equivalents	847,153	(8,564,496)
Cash and cash equivalents - beginning of year	19,279,464	27,843,960
Cash and cash equivalents - end of year	20,126,617	19,279,464
Cash resources comprise:		
Cash	12,837,047	13,758,106
Cash held under managed properties	7,289,570	5,521,358
	20,126,617	19,279,464

The accompanying notes are an integral part of these financial statements.



Notes to the Financial Statements
Year ended December 31, 2023

Sagicor (Equity) Fund
Amounts expressed in Barbados Dollars

1. REGISTRATION, PRINCIPAL ACTIVITY AND REGISTERED OFFICE

Sagicor (Equity) Fund ("The Fund") was registered in April 1969 as a Unit Trust, responsible for the management of investments of Barbados registered pension plans.

The Fund's objective is to provide long-term capital growth through investment in a diversified portfolio of equity securities including real estate.

Sagicor Life Inc. acts as Asset Manager and Trustee of the fund. Sagicor Life Inc. has subcontracted out certain asset management and custodian arrangements with Oppenheimer & Co. Inc, UBS Financial Services and Morgan Stanley Private Wealth Management. The registered office of the Fund is located at the Cecil F. de Caires Building, Wildey, St. Michael, Barbados.

If required, these financial statements can be amended after issue, at the recommendation of the Audit Committee and with the approval of the Board of Directors of the Trustee.

2. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared in accordance with, and comply with, IFRS Accounting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial investments held at fair value through profit or loss and investment property.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

All amounts in these financial statements are shown in Barbados dollars unless otherwise stated. New Standards and Amendments

New Standards and Amendments

Certain new standards and amendments to existing standards have been issued. The changes in standards and interpretations which may have an effect on future presentation, measurement or disclosure of the Fund's financial statements are summarised in the following tables.

Amendments to existing IFRS and IAS effective January 1, 2023

None of these amendments have a material effect on the Fund's financial statements.

Standards	Description of amendment
IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction	These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.
IAS 8 – Definition of accounting estimates	This amendment assists entities in distinguishing between accounting policies and accounting estimates.
IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies	This amendment assists preparers of financial statements in making decisions related to which accounting policies to disclose in financial statements.

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2. MATERIAL ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Amendments to existing IFRS and IAS effective January 1, 2024

Amendments to IAS 1 – Liabilities as current or non-current, effective January 1, 2024
Subject / Comments
In January 2020, the IASB made amendments to IAS 1 'Presentation of financial statements' to clarify the criteria for classifying a liability as non-current. These are to be applied retroactively. The impact of this standard on the Fund is currently being analysed.

Amendments to IAS 7 and IFRS 7 – Supplier finance, effective January 1, 2024 (with transitional reliefs in the first year)
Subject / Comments
In May 2023, these amendments were issued to improve the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk, in view of investors' and analysts' concerns that the supplier finance arrangements of some entities are not sufficiently visible. This standard will have no material effect on the Fund.

2.2 Investments in other entities

(a) Joint operations

Joint operations arise when the Fund has rights to the assets and obligations for liabilities of an arrangement. The Fund accounts for its interests in the assets, liabilities and revenues and expenses of jointly controlled operations.

(b) Investment in associated companies

The investments in associated companies, which are not majority-owned or controlled but where significant influence exists, are included in these financial statements using the equity method of accounting. Investments in associated companies are originally recorded at cost and include intangible assets identified on acquisition.

The Fund recognises in income its share of associated companies' post acquisition income and its share of the amortisation and impairment of any intangible assets which were identified on acquisition. Unrealised gains or losses on transactions between the Fund and its associates are eliminated to the extent of the Fund's interest in the associates. The Fund recognises in other comprehensive income, its share of associated companies' post acquisition other comprehensive income.

2.3 Foreign currency translation

(a) Functional and presentational currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which it operates (the functional currency). The financial statements are presented in Barbados dollars, which is the Fund's functional and presentational currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Foreign exchange gains and losses, which result from the settlement of foreign currency transactions and from the re-translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Foreign currency translation (continued)

(b) Transactions and balances (continued)

Translation differences on debt securities and other monetary financial assets measured at fair value are included under investment expenses. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the net investment gains or losses in the statement of income.

Currency exchange rates are determined by reference to the respective central banks. Currencies which are pegged to the United States dollar are converted into Barbados dollars at the pegged rates. Currencies which float are converted to the Barbados dollar by reference to the average of buying and selling rates quoted by the respective central banks.

Exchange rates of the other principal operating currencies to the Barbados dollar were as follows:

	2023 closing rate	**2023 average rate**	**2022 closing rate**	**2022 average rate**
Eastern Caribbean dollar	1.35	1.35	1.35	1.35
Jamaica dollar	77.1340	76.9017	75.5041	76.5264
Trinidad & Tobago dollar	3.3579	3.3688	3.3707	3.3692
United States dollar	0.50	0.50	0.50	0.50

2.4 Financial assets

(a) Classification of financial assets

The Fund utilises a principles-based approach to the classification of financial assets. Debt instruments, including hybrid contracts, are measured at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortised cost based on the nature of the cash flows of these assets and the Fund's business model. Equity instruments are measured at FVTPL, unless they are not held for trading purposes, in which case an irrevocable election can be made on initial recognition to measure them at FVOCI with no subsequent reclassification to profit or loss.

Financial assets are measured on initial recognition at fair value and are classified as and subsequently measured either at amortised cost, at FVOCI or at FVTPL. Financial assets and liabilities are recognised when the Fund becomes a party to the contractual provision of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Fund commits to purchase or sell the asset.

Financial assets that are held to collect the contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest, such as mortgages, deposits, due from other funds and other loans, are measured at amortised cost. In addition, all financial liabilities are measured at amortised cost. The carrying value of these financial assets at initial recognition includes any directly attributable transaction costs.

(b) Classification of debt instruments

Classification and subsequent measurement of debt instruments depend on:

- the Fund's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Fund classifies its debt instruments into the following measurement category.

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2. MATERIAL ACCOUNTING POLICIES (continued)

2.4 Financial assets (continued)

(b) Classification of debt instruments (continued)

Measured at fair value through profit and loss (FVTPL)

Debt instruments are classified in this category if they meet one or more of the criteria set out below and are so designated irrevocably at inception:

- the use of the designation removes or significantly reduces an accounting mismatch;
- when the performance of a portfolio of financial assets is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy;
- when the debt instruments are held for trading and are acquired principally for the purpose of selling in the short-term or if they form part of a portfolio of financial assets in which there is evidence of short-term profit taking.

Business model assessment

Business models are determined at the level which best reflects how the Fund manages portfolios of assets to achieve business objectives. Judgement is used in determining business models, which is supported by relevant, objective evidence including:

- The nature of liabilities, if any, funding a portfolio of assets;
- The nature of the market of the assets in the country of origination of a portfolio of assets;
- How the Fund intends to generate profits from holding a portfolio of assets;
- The historical and future expectations of asset sales within a portfolio.

Solely repayments of principal and interest ("SPPI")

Where the business model is hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Fund assesses whether the financial instruments' cash flows represent solely payments of principal and interest. In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial assets are classified and measured at FVTPL.

(c) Impairment of financial assets measured at amortised cost

The Fund measures its financial investments in deposits and mortgages at amortised cost. At initial recognition, allowance (or provision in the case of some loan commitments and financial guarantees) is required for Estimated Credit Losses (ECL) resulting from default events that are possible within the next 12 months (or less, where the remaining life is less than 12 months) ('12-month ECL').

In the event of a significant increase in credit risk (SICR), an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL are recognised are defined as 'stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'Stage 2'; and financial assets for which there is objective evidence of impairment so are defined as being in default or otherwise credit-impaired are in 'Stage 3'. Purchased or originated credit-impaired financial assets ("POCI") are treated differently as set out below.

To determine whether the life-time credit risk has increased significantly since initial recognition, the Fund considers reasonable and supportable information that is available including information from the past and forward-looking information. Factors such as whether payments of principal and interest are in default, an adverse change in credit rating of the borrower and adverse changes in the borrower's industry and economic environment are considered in determining whether there has been a significant increase in the credit risk of the borrower.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.4 Financial assets (continued)

(d) Purchased or originated credit-impaired assets (POCI)

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be POCI. These financial assets are credit-impaired on initial recognition. The Fund calculates the credit adjusted effective interest rate, which is calculated based on the fair value origination of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows. The ECL of these assets is always measured on a life-time basis.

At each reporting date, the Fund shall recognise in profit or loss the amount of the change in lifetime expected credit losses as an impairment gain or loss. The Fund will recognize favourable changes in lifetime expected credit losses as an impairment gain, the gain occurs when the lifetime expected credit losses are less than the amount of expected credit losses that were included in the estimated cash flows on initial recognition.

(e) Definition of default

The Fund determines that a financial instrument is credit-impaired and in Stage 3 by considering relevant objective evidence, primarily whether:

- contractual payments of either principal or interest are past due for 90 days or more;
- there are other indications that the borrower is unlikely to pay such as that a concession has been granted to the borrower for economic or legal reasons relating to the borrower's financial condition; and
- the financial asset is otherwise considered to be in default.

If such unlikeliness to pay is not identified at an earlier stage, it is deemed to occur when an exposure is 90 days past due.

(f) Write-off of investments measured at amortised cost

Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of security. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

(g) The general approach to recognising and measuring ECL

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money;
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Measurement

Expected credit losses are calculated by multiplying three main components, being the probability of default ("PD"), loss given default ("LGD") and the exposure at default ("EAD"), discounted at the original effective interest rate. Management has calculated these inputs based on the historical experience of the portfolios adjusted for the current point in time. A simplified approach to calculating the ECL is applied to contract and other receivables which do not contain a significant financing component. Generally, these receivables are due within 12 months unless there are extenuating circumstances. Under this approach, an estimate is made of the lifetime ECL on initial recognition (i.e. Stage 3). For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a Fund are homogeneous.

The PD, LGD and EAD models which support these determinations are reviewed regularly in light of differences between loss estimates and actual loss experience; but given that IFRS 9 requirements have only been applied since January 1, 2018, the historical period for such review is limited. Therefore, the underlying models and their calibration, including how they react to forward-looking economic conditions remain subject to review and

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2. MATERIAL ACCOUNTING POLICIES (continued)

2.4 Financial assets (continued)

(g) The general approach to recognising and measuring ECL (continued)

Measurement (continued)

refinement. This is particularly relevant for lifetime PDs, which have not been previously used in regulatory modelling and for the incorporation of 'downside scenarios' which have not generally been subject to experience gained through stress testing. The exercise of judgement in making estimations requires the use of assumptions which are highly subjective and sensitive to the risk factors, and particularly to changes in economic and credit conditions across wide geographical areas. Many of the factors have a high degree of interdependency and there is no single factor to which loan impairment allowances are sensitive. Therefore, sensitivities are considered in relation to key portfolios which are particularly sensitive to a few factors and the results should not be further extrapolated.

The main difference between Stage 1 and Stage 2 expected credit losses is the respective PD horizon. Stage 1 estimates will use a maximum of a 12-month PD while Stage 2 estimates will use a lifetime PD. Stage 3 estimates continue to leverage existing processes for estimating losses on impaired loans, however, these processes have been updated to reflect the requirements of IFRS 9, including the requirement to consider multiple forward-looking scenarios. An expected credit loss estimate is produced for each individual exposure, including amounts which are subject to a more simplified model for estimating expected credit losses.

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgment.

For defaulted financial assets, based on management's assessment of the borrower, a specific provision of expected life-time losses which incorporates collateral recoveries, is calculated and recorded as the ECL. The resulting ECL is the difference between the carrying amount and the present value of expected cash flows discounted at the original effective interest rate.

Forward looking information

The estimation and application of forward-looking information requires significant judgment. PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio.

Each macroeconomic scenario used in the expected credit loss calculation has forecasts of the relevant macroeconomic variables – including, but not limited to, gross domestic product, for a three-year period, subsequently reverting to long-run averages. Our estimation of expected credit losses in Stage 1 and Stage 2 is a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. Our base case scenario is based on macroeconomic forecasts where available. Upside and downside scenarios is set relative to our base case scenario based on reasonably possible alternative macroeconomic conditions.

Scenario design, including the identification of additional downside scenarios occurs on at least an annual basis and more frequently if conditions warrant. Scenarios are probability-weighted according to our best estimate of their relative likelihood based on historical frequency and current trends and conditions. Probability weights are updated on a quarterly basis.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.4 Financial assets (continued)

(h) Modification of loans

The Fund sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers and debt instruments. When this happens, the Fund assesses whether or not the new terms are substantially different to the original terms. The Fund does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flow to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Fund derecognises the original financial asset and recognises a new asset at fair value and recalculates the new effective interest rate for the asset. The date of negotiation is consequently considered to the be the date of initial recognition for impairment calculation purposes and the purpose of determining if there has been a significant increase in credit risk. At this point the Fund will assess if the asset is POCI.

(i) Re-classified balances

The Fund reclassifies debt instruments when and only where its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

(j) Classification of equity instruments

The Fund classifies and subsequently measures all equity investments at FVTPL.

(k) Presentation in the statement of income and comprehensive income

Debt and equity instruments measured at FVTPL

Realised changes in fair value, unrealised changes in fair value, interest income and dividend income are included in revenue.

Financial instruments measured at amortised cost

Interest income is included in interest income earned from financial assets measured at amortised cost in the statement of income and comprehensive income.

Credit impairment losses are included in the statement of income and comprehensive income.



2. MATERIAL ACCOUNTING POLICIES (continued)

2.5 Investment property

Investment property consists of freehold lands and freehold properties not occupied by the Fund which are held for rental income and/or capital appreciation.

Investment property is recorded initially at cost and subsequently at fair value determined by independent valuers, with the appreciation or depreciation in value being taken to investment income. Fair value represents the price (or estimates thereof) that would be agreed upon in an orderly transaction between market participants at the valuation date. Fair values are derived using the market value approach and the income capitalisation approach, which reference market-based evidence, using comparable prices adjusted for specific factors such as nature, location and condition of property. Investment property includes property partially owned by the Fund and held under joint operations with third parties for which the Fund recognises its share of the joint operation's assets, liabilities, revenues, expenses and cash flows. On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to income.

Transfers to or from investment properties are recorded when there is a change in use of the property. Transfers to real estate developed for resale are recorded at their fair value at the date of change in use.

Rental income is recognised on an accrual basis.

2.6 Real estate developed for resale

Lands being made ready for resale along with the cost of infrastructural works are classified as real estate held for resale and are stated at the lower of carrying value and fair value less cost to sell.

Gains and losses realised on the sale of real estate are included in income at the time of sale.

2.7 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise:

- cash balances,
- call deposits,
- proportionate interests in cash balances of managed joint operations,
- other liquid balances with maturities of three months or less from the acquisition date.

Cash equivalents are subject to an insignificant risk of change in value.

2.8 Provisions

Provisions are recognised when the Fund has a legal or constructive obligation, as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

2.9 Interest income and expenses

Interest income (expense) is computed by applying the effective interest rate based to the gross carrying amount of a financial asset (liability), except for financial assets that are purchased, originated or subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (i.e., after deduction of the loss allowance). Interest includes coupon interest and accrued discount and premium on financial instruments. Dividend income is recorded when declared.

2.10 Taxation

The Fund is exempt from Barbados taxation.

The Fund currently incurs withholding taxes imposed by certain countries or financial institutions on investment income. Such income is recorded gross of withholding tax in the statement of income and comprehensive income and the related tax imposed is recorded as a receivable until these amounts are recoverable or expensed as incurred.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.11 Management fee

As a result of serving as Trustee and Manager of the Fund, Sagicor Life Inc. receives a management fee based on the Net Asset Value of the Fund, calculated at a rate of 0.75% per annum.

2.12 Units

The Fund issues units which are redeemable at the holder's option. Units are carried at the redemption amount that is payable at the statement of financial position date should the holder exercise the right to redeem the shares. Units redeemed may be put back to the Fund for cash or transfer of assets representing the value of the units redeemed.

Units are classified as equity as they meet the following criteria:

- They entitle the holder to a pro-rata share of the net assets of the Fund.
- The total expected cash flows attributable to the units over their life are based substantially on the profits or loss of the Fund.
- The Fund is contractually obliged to deliver cash to unit holders on the repurchase of units or transfer assets representing the value of units redeemed.
- The rights and features attached to each unit are identical.

2.13 Net asset value per unit

The Fund adopts a forward pricing policy of valuing transactions. The consideration received or paid for units issued or repurchased respectively is converted to units based on the Fund's net asset value per unit at the next valuation period.

The net asset value per unit is calculated by dividing the net assets by the number of units.

2.14 Property, plant and equipment

Property, plant and equipment comprise mainly furnishings and office equipment and represent the Fund's proportionate interest in joint operations. These assets are initially recorded at cost and subsequent expenditure is capitalised if future economic benefits are expected.

Depreciation is calculated on property, plant and equipment on the straight-line basis at rates calculated to allocate the cost of the assets concerned over their estimated useful lives. The estimated useful lives for this purpose are as follows:

Plant and equipment, furniture and fittings	10 years
Computer software and equipment	3 -10 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Any gain or loss on disposal included in the statement of income and comprehensive income is determined by comparing proceeds to the asset's carrying value at the time of disposal.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the Fund's reported assets, liabilities, revenues and expenses. The items which may have the most significant effect on the Fund's financial statements is set out below.

3.1 Impairment of financial assets

In determining ECL (defined in note 2.4(c)), management is required to exercise judgement in defining what is considered a significant increase in credit risk and in making assumptions and estimates to incorporate relevant information about past events, current conditions, and forecasts of economic conditions. Further information about the judgements involved is included in Note 2.4 'Measurement' and 'Forward-looking information'.

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3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

3.1 Impairment of financial assets (continued)

(a) Establishing staging for debt securities and deposits

The Fund's internal credit rating model is a 10-point scale which allows for distinctions in risk characteristics and is referenced to the rating scale of international credit rating agencies.

The scale is set out in the following table:

Category		Sagicor Risk Rating	Classification	S&P	Moody's	Fitch	AM Best
Non-default	Investment grade	1	Minimal risk	AAA, AA	Aaa, Aa	AAA, AA	aaa, aa
		2	Low risk	A	A	A	a
		3	Moderate risk	BBB	Baa	BBB	bbb
	Non-investment grade	4	Acceptable risk	BB	Ba	BB	bb
		5	Average risk	B	B	B	b
	Watch	6	Higher risk	CCC, CC	Caa, Ca	CCC, CC	ccc, cc
		7	Special mention	C	C	C	c
Default		8	Substandard			DDD	
		9	Doubtful	D	C	DD	d
		10	Loss			D	

The Fund uses its internal credit rating model to determine which of the three stages an asset is to be categorized for the purposes of ECL.

Once the asset has experienced a significant increase in credit risk the investment will move from Stage 1 to Stage 2. Sagicor has assumed that the credit risk of a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial asset that is investment grade or Sagicor risk rating of 1-3 is considered low credit risk.

Stage 1 investments are rated (i) investment grade, or (ii) below investment grade at origination and have not been downgraded more than 2 notches since origination. Stage 2 investments are assets which (i) have been downgraded from investment grade to below investment grade, or (ii) are rated below investment grade at origination and have been downgraded more than 2 notches since origination. Stage 3 investments are assets in default.

(b) Establishing staging for mortgage loans and other assets measured at amortised cost, lease receivables

Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:

Qualitative test

- accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring.

Backstop Criteria

- accounts that are 30 calendar days or more past due. The 30 days past due criteria is a backstop rather than a primary driver of moving exposures into Stage 2.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

3.1 Impairment of financial assets (continued)

(c) Forward looking information

When management determines the macro-economic factors that impact the portfolios of financial assets, they first determine all readily available information within the relevant market. Portfolios of financial assets are segregated based on product type, historical performance, and homogenous country exposures. There is often limited timely macro-economic data for Barbados, Eastern Caribbean, Trinidad and Jamaica. Management assesses data sources from local government, International Monetary Fund (IMF) and other reputable data sources. A regression analysis is performed to determine which factors are most closely correlated with the credit losses for each portfolio. Where projections are available, these are used to look into the future up to three years and subsequently the expected performance is then used for the remaining life of the product. These projections are re-assessed on a quarterly basis.

3.2 Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined using reputable pricing sources (such as pricing agencies), indicative prices from bond/debt market makers or other valuation techniques. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Fund exercises judgement on the quality of pricing sources used. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. The inputs into these models are primarily discounted cash flows.

The models used to determine fair values are periodically reviewed by experienced personnel. The models used for debt securities are based on net present value of estimated future cash flows, adjusted as appropriate for liquidity, and credit and market risk factors.

3.3 Valuation of investment property

The Fund utilises professional valuers to determine the fair value of its investment properties. Valuations are determined through the application of a variety of different valuation methods which are all sensitive to the underlying assumptions chosen. Direct sales comparisons when such data is available, and income capitalisation methods, when appropriate, are included in the assessment of fair values.

For some tracts of land which are currently un-developed, the fair value may reflect the potential for development within a reasonable period of time. Information about fair value technique is disclosed in Note 11.



4. INVESTMENT PROPERTY

Investment property is carried at fair value as determined by independent valuers using internationally recognised valuation techniques.

The movement in investment property for the year is as follows:

	2023 $	2022 $
Balance, beginning of year	53,200,000	54,033,333
Fair value loss recorded in income	(330,000)	(833,333)
Balance, end of year	52,870,000	53,200,000

Wholly owned properties:
Letchworth Complex, Garrison, St. Michael
Letchworth Cottage, Garrison, St. Michael
CIBC First Caribbean International Bank, Rendezvous, Christ Church
City Centre, Bridgetown
Land at Plum Tree, St. Thomas
Allder House, Corner of George Street and First Avenue Belleville

Investment property includes $20,920,000 (2022 - $20,850,000) which represents the Fund's proportionate interest in joint operations in Barbados summarized in the following table.

Description of property	Percentage ownership
Land at Fort George Heights, Upton, St. Michael	50.0%
United Nations House, Marine Gardens, Christ Church	50.0%
Trident House Properties, Lower Broad Street, Bridgetown	33.3%

A related party owns a 50% interest in Fort George Heights and United Nations House respectively, and a 33% interest in Trident House Properties.

Other balances included in the financial statements in respect of the above joint operations are as follows:

	2023 $	2022 $
Real estate developed for resale	298,112	327,547
Accounts receivable	4,208,806	4,054,579
Property, plant and equipment	480,490	531,217
Cash resources	6,962,013	5,704,728
Deposits received on real estate developed for resale	-	5,600
Accounts payable	1,627,032	1,471,579
Net rental income	1,173,977	1,383,724
Reduction in fair value of investment property	(30,000)	(583,333)

5. INVESTMENT IN ASSOCIATED COMPANIES

The movements in the investment in associated companies during the year are summarised in the following table.

	Primo Holdings Limited 2023	Haggatt Hall Holdings Limited 2023	Total 2023
Investment at the beginning of the year	559,329	5,672,476	6,231,805
Share of (loss) / income	(18,117)	266,742	248,625
Loss on property revaluation	-	(678,120)	(678,120)
Investment at the end of the year	541,212	5,261,098	5,802,310

	Primo Holdings Limited 2022	Haggatt Hall Holdings Limited 2022	Total 2022
Investment at the beginning of the year	573,692	4,895,550	5,469,242
Share of (loss) / income	(14,363)	287,861	273,498
Property revaluation surplus	-	489,065	489,065
Investment at the end of the year	559,329	5,672,476	6,231,805

The Fund holds interests in two property investment companies. Proportionate interests are as follows:

- 37.5% (2022 - 37.5%) in Primo Holdings Limited, incorporated in Barbados
- 33.3% (2022 - 33.3%) in Haggatt Hall Holdings Limited, incorporated in Barbados

The amount of $22,663 (2022 - $22,663) due from associated company Primo Holdings Limited, is interest free, unsecured and has no fixed terms of repayment.

The aggregate balances and results in respect of the associated companies for the year are set out below:

	Haggatt Hall Holdings Limited		Primo Holding Limited	
ASSETS	**2023**	**2022**	**2023**	**2022**
Property, Plant and Equipment	986	1,347	-	-
Cash Resources	276,460	1,221,533	-	-
Other Investments and Assets	30,246,273	31,220,939	2,000,000	2,000,000
Total Assets	30,523,719	32,443,819	2,000,000	2,000,000
LIABILITIES				
Current liabilities	14,895,675	15,581,641	657,792	609,480
Net Assets	**15,628,044**	**16,862,178**	**1,342,208**	**1,390,520**



5. INVESTMENT IN ASSOCIATED COMPANIES (continued)

Summarised Statement of Net Income

REVENUE				
Net Rental Income	1,415,136	1,613,680	-	-
Other Income	645,420	891,192	-	-
Total Revenue	2,060,556	2,504,872	-	-
EXPENSES				
Finance Charges	401,340	634,976	-	-
Depreciation	360	(177,086)	-	-
Repairs & Maintenance	305,964	505,124	-	-
Income Tax Expenses	34,207	21,453	-	-
Deferred Tax Expenses	-	4,546	-	-
Other	518,456	652,277	48,312	38,300
Total Expenses	1,260,327	1,641,290	48,312	38,300
Net Income / (Loss)	800,229	863,582	(48,312)	(38,300)
Comprehensive (Loss) / Income - Property revaluation	(2,034,363)	1,467,195	-	-

Reconciliation to carrying amounts

	Haggatt Hall Holdings Limited		Primo Holdings Limited	
	31 Dec 2023	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
Opening net assets 1 January	16,862,178	14,531,401	1,390,520	1,428,820
Profit / (loss) for the period	800,229	863,582	(48,312)	(38,300)
Revaluation Surplus	(2,034,363)	1,467,195	-	-
Closing net assets	**15,628,044**	**16,862,178**	**1,342,208**	**1,390,520**
Fund's share in %	33.33%	33.33%	37.5%	37.5%
Fund's Share in $	5,209,348	5,620,726	503,327	521,444
Capitalisation of Acquisition costs	51,750	51,750	37,885	37,885
Carrying Amount	**5,261,098**	**5,672,476**	**541,212**	**559,329**

6. RELATED PARTY BALANCES

These balances are interest free, unsecured and have no fixed terms of repayment. A summary of related party transactions is disclosed in Note 17.

7. INCOME TAX ASSETS

Income tax assets arise from deductions of withholding tax at source on interest income from local financial investments. The Fund's tax-exempt status entitles it to a refund of these taxes from the Barbados Revenue Authority.

Income tax assets are reported at the gross value of $1,285,479, net of an estimated impairment of

$835,561 (2022 - gross value of $1,284,984, impairment $207,264).

8. REAL ESTATE DEVELOPED FOR RESALE

Real estate developed for resale represent the Fund's proportionate interests in joint operations as set out below:

Description of property	**Percentage owned by the Fund**
Land at Carmichael	46%
Land at Fort George Heights, Upton, St. Michael	50%

9. ACCOUNTS RECEIVABLE

	2023 $	**2022 $**
Rent receivable	4,668,696	4,310,717
Dividend receivable	1,467,068	1,460,374
Net advances to unit holders	4,150,073	1,339,737
Other receivables	2,608,327	1,813,640
Total accounts receivable	12,894,164	8,924,468

Net advances to unitholders represent net redemptions paid to unit holders, which at year-end, are awaiting conversion to units in the subsequent year.



10. FINANCIAL INVESTMENTS

10.1 Analysis of financial investments

	2023		2022	
	Carrying Value $	Fair Value $	Carrying Value $	Fair Value $
Investments at Fair value through profit and loss (FVTPL):				
Bonds - Listed International	11,741,956	11,741,956	12,184,009	12,184,009
Bonds - Unlisted Local	6,669,316	6,669,316	6,311,723	6,311,723
Bonds - Unlisted Regional	617,953	617,953	2,210,369	2,210,369
Total debt securities	**19,029,225**	**19,029,225**	**20,706,101**	**20,706,101**
Common Shares - Listed Local	88,255,784	88,255,784	83,877,848	83,877,848
Common Shares - Listed Regional	71,408,023	71,408,023	74,504,584	74,504,584
Common Shares - Listed International	169,022,081	169,022,081	148,823,901	148,823,901
Common Shares - Unlisted	87,344	87,344	87,343	87,343
Alternative Investments - Listed	186,552,095	186,552,095	174,184,485	174,184,485
Alternative Investments - Unlisted	1,765,105	1,765,105	2,501,150	2,501,150
Mutual Funds – Listed Local	7,792,000	7,792,000	7,824,000	7,824,000
Total equity securities	**524,882,432**	**524,882,432**	**491,803,311**	**491,803,311**
Total investments at FVPTL	**543,911,657**	**543,911,657**	**512,509,412**	**512,509,412**
Investments at amortised cost:				
Deposits	160	160	160	160
Mortgage loans	22,524,114	21,996,460	23,656,616	23,665,049
Total investments at amortised cost	**22,524,274**	**21,996,620**	**23,656,776**	**23,665,209**
Total financial investments	**566,435,931**	**565,908,277**	**536,166,188**	**536,174,621**

Mortgage loans are reported at the gross principal of $22,603,690, net of provisions for expected credit losses of $79,576 (2022 - gross principal of $23,734,202, provisions for expected credit losses of $77,586). The fair value of the fixed rate mortgage loans is $10,585,360 (2022 - $11,818,880) and the carrying value is $11,113,014 (2022 - $11,810,448).

See Note 12.7 for the fair value of investments at amortised cost.

Debt securities comprise:

	2023 $	2022 $
Government debt securities - Listed International	9,746,477	10,215,110
Government debt securities - Unlisted Local	6,669,316	6,311,723
Government debt securities - Unlisted Regional	617,953	2,210,369
Corporate debt securities - Listed	1,995,479	1,968,899
	19,029,225	20,706,101

10. FINANCIAL INVESTMENTS (continued)

10.1 Analysis of financial investmentscontinued)

Equity securities include shares in Sagicor Financial Company Ltd, a related party, of $3,173,068 (2022 - $2,850,510).

Debt securities classified at fair value through profit or loss and valued using internally developed models amounted to $7,287,269 (2022 - $8,522,092).

Significant concentrations of equity securities, exceeding 2.5% of total equity security exposures, are as follows:

	2023		2022	
	% of Total	$	% of Total	$
Goddard Enterprises Ltd.	11.9%	62,686,452	12.9%	63,468,794
Massy Holdings Ltd	10.2%	53,706,243	11.0%	53,984,300
CIBC First Caribbean International Bank (Barbados) Ltd	4.7%	24,803,100	4.0%	19,581,395
Schwab US Divid Equity ETF	4.2%	22,193,113	4.4%	21,870,945
Morgan Stanley Global Quality Fund	3.7%	19,517,040	3.3%	16,194,464
Pictet – PTR Atlas Fund Class 1	3.7%	19,186,706	3.7%	17,982,482
RBC Royal Bank of Canada	3.4%	17,749,705	5.2%	25,717,582
MFS Meridian European Research Fund	2.8%	14,548,475	2.6%	12,642,228
Neuberger Berman Uncorrelated	2.8%	14,484,127	3.2%	15,681,793
Investec Global Franchise	2.5%	13,049,739	1.2%	6,086,888
Aspect Diversified Trends USD Fund	2.3%	12,212,060	2.5%	12,137,354
Energy Select Sector SPDR Fund	1.2%	6,451,826	2.7%	13,252,279

11. FAIR VALUE OF INVESTMENT PROPERTY

Investment property is carried at fair value as determined by independent valuations using internationally recognised valuation techniques. Direct sales comparisons, when such data is available, and income capitalisation methods, when appropriate, are included in the assessment of fair values. The highest and best use of a property is also considered in determining its fair value.

Some tracts of land are currently un-developed or are leased to third parties. In determining the fair value of all lands, their potential for development within a reasonable period is assessed, and if such potential exists, the fair value reflects that potential. These lands are located in Barbados and the Fund has adopted a policy of orderly development and transformation to realise their full potential over time.

The fair value hierarchy has been applied to the valuations of the Fund's property. The different levels of the hierarchy are as follows:

- Level 1 - fair value is determined by quoted un-adjusted prices in active markets for identical assets;
- Level 2 - fair value is determined by inputs other than quoted prices in active markets that are observable for the asset either directly or indirectly;
- Level 3 - fair value is determined from inputs that are not based on observable market data.



11. FAIR VALUE OF INVESTMENT PROPERTY (continued)

The results of applying the fair value hierarchy to the Fund's property are as follows:

As of December 31, 2023	Level 1 $	Level 2 $	Level 3 $	Total $
Investment property	-	-	52,870,000	52,870,000

As of December 31, 2022	Level 1 $	Level 2 $	Level 3 $	Total $
Investment property	-	-	53,200,000	53,200,000

A summary of the valuation techniques used is presented as follows:

	Fair Value $ 2023	Fair Value $ 2022	Valuation Technique	Unobservable Inputs	Range of Inputs 2023	Range of Inputs 2022	Relationship of Unobservable Inputs to Fair value
Land	10,945,000	10,975,000	Sales Comparison	Price per square foot	$1.54 to $9.59	$1.55 to $8.88	The higher the price per square foot, the higher the value.
Commercial property	3,716,667	4,016,667	Sales Comparison	Price per square foot	$23.90 to $63.82	$22.72 to $76.20	The higher the price per square foot, the higher the value.
Commercial property	38,208,333	38,208,333	Discounted cash flows	Discount rate, capitalisation rate	8.0% to 10.0%	8.0% to 10.5%	The lower the capitalisation rate or discount rate, the higher the fair value.
Total	**52,870,000**	**53,200,000**					

Commercial properties valued at $3,716,667 (2022 - $4,016,667) are mature and under-tenanted. These properties are therefore not in their highest and best use. Under these circumstances, the discounted cash flows technique was not considered to offer a good indicator of value. Fair values for these properties were derived from the use of the sales comparison method.

Valuation Process

The Fund engages external independent and qualified valuers to determine the fair value of the Fund's investment properties at the end of the year. The main level 3 inputs used by the Fund are determined and evaluated as follows - discount rate, terminal yield, expected vacancy rates and rental growth rates which are estimated by the valuer based on comparable transactions.

12. FINANCIAL RISK

Financial risk factors

The Fund's activities of accepting funds from unit holders and investing these funds in a variety of financial and other assets expose the Fund to various financial risks.

Financial risks include credit, liquidity, and market risks. Market risks arise from changes in interest rates, equity prices, currency exchange rates or other market factors. The effects of these risks are disclosed in the sections below.

The Fund is also exposed to operations such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodians.

The overriding objective of the Fund's risk management framework is to enhance its capital base through long term capital growth and to protect capital against inherent business risks. This means that the Fund accepts certain levels of risk in order to generate returns, and the Fund manages the levels of risk assumed through risk management policies and procedures. Identified risks are assessed as to their potential financial impact and as to their likelihood of occurrence.

The effects of financial risks are disclosed in the sections below.

12.1 Credit risk

Credit risk is the exposure that the counterparty to a financial instrument is unable to meet an obligation, thereby causing a financial loss to the Fund. Credit risks are primarily associated with financial investments held.

Credit risk from financial investments is minimised through holding a diversified portfolio of investments, purchasing securities, and advancing loans only after careful assessment of the borrower, obtaining collateral before advancing loans, and placing deposits with financial institutions with a strong capital base. Limits may be placed on the amount of risk accepted in relation to one borrower.

All transactions in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as the local and regional stock exchanges act as the clearing facilitator, ensuring that monies are placed in the clearing accounts.

In accordance with the Fund's policy, the Fund Manager and the Board of Directors of the Trustee monitor the Fund's credit position on a quarterly basis.

Rating of financial assets

The Fund's credit rating model (Note 3.1) applies a rating scale to two categories of exposures:

- Investment portfolios, comprising debt securities, deposits and cash;
- Lending portfolios, comprising mortgages

For lending portfolios, the three default ratings of 8, 9 and 10 are utilised, while for investment portfolios, one default rating (8) is utilised.

In sections 12.2 and 12.3 below, we set out various credit risks and exposures of assets measured in accordance with IFRS 9.

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12. FINANCIAL RISK (continued)

12.2 Credit risk exposure - financial assets subject to impairment

The maximum exposures of the Fund to credit risk are set out in the following table.

	2023		2022	
	$	%	$	%
Bonds at FVTPL	19,029,225	24	20,706,101	28
Deposits at amortised cost	160	0	160	0
Investment portfolio	**19,029,385**	**24**	**20,706,261**	**28**
Mortgage loans, net, at amortised cost	22,524,114	29	23,656,616	31
Lending portfolio	**22,524,114**	**29**	**23,656,616**	**31**
Due from Sagicor (Bonds) Fund	-	0	1,822,538	2
Due from Sagicor International Balanced Fund	148,524	0	81,158	0
Due from associated company	22,663	0	22,663	0
Accounts receivable	12,894,164	17	8,924,468	12
Cash resources	20,126,617	26	19,279,464	26
Other financial assets	**33,191,968**	**43**	**30,130,291**	**40**
Total exposures	**74,745,467**	**96**	**74,493,168**	**99**
Mortgage loan commitments	2,806,030	4	997,559	1
	77,551,497	**100**	**75,490,727**	**100**

12. FINANCIAL RISK (continued)

12.2 Credit risk exposure - financial assets subject to impairment (continued)

Credit Risk Exposure - financial investments subject to impairment

Financial assets carried at amortised cost are subject to credit impairment losses which are recognised in the statement of income and comprehensive income.

The following tables contain analyses of the credit risk exposure of financial investments for which an ECL allowance is recognised.

	Mortgage loans – amortised cost				
	2023				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	POCI	Total
December 31:					
Credit grade:					
Investment	11,304,199	211,813	-	-	11,516,012
Non-Investment	10,628,906	-	-	-	10,628,906
Watch	-	-	458,772	-	458,772
Default	-	-	-	-	-
Gross carrying amount	21,933,105	211,813	458,772	-	22,603,690
Loss allowance	(30,882)	(708)	(47,986)	-	(79,576)
Net carrying amount	21,902,223	211,105	410,786	-	22,524,114

	Mortgage loans – amortised cost				
	2022				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	POCI	Total
December 31:					
Credit grade:					
Investment	14,703,100	612,344	-	-	15,315,444
Non-Investment	7,909,678	-	-	-	7,909,678
Watch	-	-	509,080	-	509,080
Default	-	-	-	-	-
Gross carrying amount	22,612,778	612,344	509,080	-	23,734,202
Loss allowance	(26,665)	(1,455)	(49,466)	-	(77,586)
Net carrying amount	22,586,113	610,889	459,614	-	23,656,616



12. FINANCIAL RISK (continued)

12.2 Credit risk exposure - financial assets subject to impairment (continued)

	Term Deposits – amortised cost				
	2023				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	POCI	Total
December 31:					
Credit grade:					
Investment	-	-	-	-	-
Non-Investment	-	-	-	-	-
Watch	-	-	-	-	-
Default	160	-	-	-	160
Gross carrying amount	160	-	-	-	160
Loss allowance	-	-	-	-	-
Net carrying amount	160	-	-	-	160

	Term Deposits – amortised cost				
	2022				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	POCI	Total
December 31:					
Credit grade:					
Investment	-	-	-	-	-
Non-Investment	-	-	-	-	-
Watch	-	-	-	-	-
Default	160	-	-	-	160
Gross carrying amount	160	-	-	-	160
Loss allowance	-	-	-	-	-
Net carrying amount	160	-	-	-	160

12. FINANCIAL RISK (continued)

12.3 Credit impairment losses – financial assets subject to impairment

The allowance for ECL is recognised in each reporting period and is impacted by a variety of factors, as described below:

- Transfers between stages due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired during the period;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to inputs used in the calculation including the effect of 'step-up' (or 'step down') between 12-month and lifetime ECL;
- Impacts on the measurement of ECL due to changes made to models and assumptions; and
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements.

The following tables contain analyses of the movement of loss allowances in respect of financial investments subject to impairment.

LOSS ALLOWANCES

	Mortgage loans – amortised cost				
	2023				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	POCI	Total
Loss allowance, beginning of year	26,665	1,455	49,466	-	77,586
Transfers:					
Stage 1 to Stage 2	(257)	257	-	-	-
Stage 1 to Stage 3	-	-	-	-	-
Stage 2 to Stage1	298	(298)	-	-	-
Stage 3 to Stage 1	-	-	-	-	-
Loans originated or purchased	12,799	-	-	-	12,799
Loans fully derecognised	(11,101)	(1,157)	-	-	(12,258)
Changes in ECL inputs, models and/or assumptions	2,478	451	(1,480)	-	1,449
Loss allowance, end of year	30,882	708	47,986	-	79,576
Credit impairment loss recorded in income					(1,990)

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12. FINANCIAL RISK (continued)

12.3 Credit impairment losses – financial assets subject to impairment (continued)

LOSS ALLOWANCES	Mortgage loans – amortised cost				
	2022				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	POCI	Total
Loss allowance, beginning of year:	19,309	1,374	44,466	-	65,149
Transfers					
Stage 1 to Stage 2	(664)	664	-	-	-
Stage 1 to Stage 3	-	-	-	-	-
Stage 2 to Stage1	1,374	(1.374)	-	-	-
Stage 3 to Stage 1	-	-	-	-	-
Loans originated or purchased	7,374	-	-	-	7,374
Loans fully derecognised	(1,099)	-	-	-	(1,099)
Changes in ECL inputs, models and/or assumptions	371	791	5,000	-	6,162
Loss allowance, end of year	26,665	1,455	49,466	-	77,586
Credit impairment loss recorded in income					(12,437)

(a) Impaired Mortgages

Balances relating to impaired financial investments are summarised in the following table. The accumulated allowance for impairment losses reflects the Fund's assessment of total individually impaired investments at date of the financial statements.

Mortgage Loans	Gross carrying value $	Accumulated allowances for impairment $	Net carrying value $	Estimated fair value of collateral $
As of December 31, 2023				
Residential sector	458,772	(47,986)	410,786	599,700
Total	458,772	(47,986)	410,786	599,700
As of December 31, 2022				
Residential sector	509,080	(49,466)	459,614	1,179,700
Total	509,080	(49,466)	459,614	1,179,700

12. FINANCIAL RISK (continued)

12.3 Credit impairment losses – financial assets subject to impairment (continued)

(b) Repossessed assets

The Fund may foreclose on overdue mortgage loans by repossessing the pledged asset. In some instances, the Fund may provide re-financing to a new purchaser on customary terms.

No assets were repossessed during the year (2022 – Nil).

(c) Renegotiated assets

The Fund may renegotiate the terms of any financial investment to facilitate borrowers in financial difficulty. Arrangements to waive, adjust or postpone scheduled amounts due may be entered into. The Fund classifies these amounts as past due, unless the original agreement is formally revised, modified or substituted, in which case, the financial investment is classified as renegotiated.

No assets were re-negotiated during the year (2022 – Nil).

(d) Economic variable assumptions

The Fund has selected the following economic factor which provide the overall macroeconomic environment in considering forward looking information for base, upside and downside forecasts. These are as follows:

	As of December 31, 2023			As of December 31, 2022		
	2024	2025	2026	2023	2024	2025
World GDP						
Base	2.9%	3.2%	3.2%	2.7%	3.2%	3.4%
Upside	4.5%	4.9%	4.9%	4.1%	4.8%	5.1%
Downside	2.1%	2.4%	2.4%	1.9%	2.3%	2.4%

The preceding economic variable assumptions relate to term deposits carried at amortised cost.

The Fund's lending operations in Barbados has limited readily available information regarding economic forecasts. Management has examined the information within the market and selected economic drivers that have the best correlation to the portfolio's performance. Economic state is assigned to reflect the driver's impact on ECL.

Barbados	Expected state for the next 12 months	Scenario
Unemployment rate	Base	Negative
	Upside	Stable
	Downside	Super Negative
GDP growth	Base	Negative
	Upside	Stable
	Downside	Super Negative



12. FINANCIAL RISK (continued)

12.4 Gross Carrying Values – financial investments subject to impairment

The following tables explain the movement in the gross carrying amounts of mortgages, term deposits and in the ECL classifications for the year. Gross carrying amounts represent the maximum exposure to credit risk.

	Mortgage loans – amortised cost				
	2023				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	POCI	Total
Gross carrying amount, beginning of year	22,612,778	612,344	509,080	-	23,734,202
Transfers:					
Stage 1 to Stage 2	(217,957)	217,957	-	-	-
Stage 1 to Stage 3	-	-	-	-	-
Stage 2 to Stage 1	125,373	(125,373)	-	-	-
Stage 3 to Stage 1	-	-	-	-	-
Loans originated or purchased	9,210,806	-	-	-	9,210,806
Loans fully derecognized	(9,410,736)	(486,971)	(51,487)	-	(9,949,194)
Changes in principal and interest	(387,159)	(6,144)	1,179	-	(392,124)
Gross carrying amount, end of year	21,933,105	211,813	458,772	-	22,603,690

	Mortgage loans – amortised cost				
	2022				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	POCI	Total
Gross carrying amount, beginning of year	18,285,179	459,364	538,660	-	19,283,203
Transfers:					
Stage 1 to Stage 2	(628,614)	628,614	-	-	-
Stage 1 to Stage 3	-	-	-	-	-
Stage 2 to Stage 1	459,364	(459,364)	-	-	-
Stage 3 to Stage 1	-	-	-	-	-
Loans originated or purchased	6,253,072	-	-	-	6,253,072
Loans fully derecognized	(1,040,985)	-	-	-	(1,040,985)
Changes in principal and interest	(715,238)	(16,270)	(29,580)	-	(761,088)
Gross carrying amount, end of year	22,612,778	612,344	509,080	-	23,734,202

12. FINANCIAL RISK (continued)

12.4 Gross Carrying Values – financial investments subject to impairment (continued)

	Term Deposits – amortised cost				
	2023				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	POCI	Total
Gross carrying amount, beginning of year	160	-	-	-	160
Deposits originated or purchased	-	-	-	-	-
Deposits fully derecognised	-	-	-	-	-
Gross carrying amount, end of year	160	-	-	-	160

	Term Deposits – amortised cost				
	2022				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	POCI	Total
Gross carrying amount, beginning of year	160	-	-	-	160
Deposits originated or purchased	-	-	-	-	-
Deposits fully derecognised	-	-	-	-	-
Gross carrying amount, end of year	160	-	-	-	160

12.5 Liquidity risk

The Fund is exposed to daily calls on its available cash resources for redemptions and operating expenses. Liquidity risk is the exposure that the Fund may have insufficient cash resources to meet these obligations as they become due. Liquidity risk also arises when excess funds accumulate resulting in the loss of opportunity to increase investment returns.

In order to manage liquidity risks, management seeks to maintain levels of cash and deposits which are sufficient to meet reasonable expectations of its short-term obligations. If necessary, the Fund's secondary source of liquidity is its highly liquid instruments in its investment portfolio.

In accordance with the Fund's policy, the Fund Manager and the Board of Directors of the Trustee monitor the Fund's liquidity position on a quarterly basis.

Contractual cash flow obligations of the Fund in respect of its financial liabilities are summarised in the following table. Amounts are analysed by their earliest contractual maturity dates and consist of the contractual un-discounted cash flows. Where the interest rate of an instrument for a future period has not been determined as of the date of the financial statements, it is assumed that the interest rate then prevailing continues until final maturity.



12. FINANCIAL RISK (continued)

12.5 Liquidity risk (continued)

(a) Financial liabilities

As of December 31, 2023	On demand $	Within 1 year $	1 to 5 years $	After 5 years $	Total $
Due to Sagicor Life Inc.	2,937,878	-	-	-	2,937,878
Due to Sagicor (Bonds) Fund	1,531,482	-	-	-	1,531,482
Due to Sagicor Global Balanced Fund	170,210	-	-	-	170,210
Accounts payable	4,193,803	-	-	-	4,193,803
	8,833,373	-	-	-	8,833,373

As of December 31, 2022	On demand $	Within 1 year $	1 to 5 years $	After 5 years $	Total $
Deposits received on real estate developed for sale	5,600	-	-	-	5,600
Due to Sagicor Life Inc.	2,653,712	-	-	-	2,653,712
Due to Sagicor Global Balanced Fund	83,000	-	-	-	83,000
Accounts payable	2,810,904	-	-	-	2,810,904
	5,553,216	-	-	-	5,553,216

(b) Financial assets

Amounts are stated at their carrying values recognised in the financial statements and are analysed by their contractual maturity dates.

As of December 31, 2023	Maturing within 1 year $	Maturing within 1 to 5 years $	Maturing after 5 years $	Total $
Due from associated company	22,663	-	-	22,663
Due from Sagicor International Balanced Fund	148,524	-	-	148,524
Accounts receivable	12,894,164	-	-	12,894,164
Debt securities	3,659,267	8,700,642	6,669,316	19,029,225
Deposits	-	160	-	160
Mortgage loans net	-	-	22,524,114	22,524,114
Cash resources	20,126,617	-	-	20,126,617
Total	36,851,235	8,700,802	29,193,430	74,745,467

12. FINANCIAL RISK (continued)

12.5 Liquidity risk (continued)

As of December 31, 2022	Maturing within 1 year $	Maturing within 1 to 5 years $	Maturing after 5 years $	Total $
Due from associated company	22,663	-	-	22,663
Due from Sagicor (Bonds) Fund	1,822,538	-	-	1,822,538
Due from Sagicor International Balanced Fund	81,158	-	-	81,158
Accounts receivable	8,924,468	-	-	8,924,468
Debt securities	633,690	13,760,688	6,311,723	20,706,101
Deposits	-	160	-	160
Mortgage loans net	-	75,772	23,580,844	23,656,616
Cash resources	19,279,464	-	-	19,279,464
Total	30,763,981	13,836,620	29,892,567	74,493,168

Redeemable units are redeemed at the option of the holder. However, the Board of Directors of the Trustee does not envisage that unit holders will completely redeem their units as they typically hold them for the long-term. At December 2023, an individual unitholder, Goddard Enterprises Ltd., holds 15% of the fund's units (2022 Goddard Enterprises Ltd. Held 15%). The fund manages its liquidity risk by investing in security that it expects to be able to liquidate within a short period.

The following table shows the ordinary redemption periods of the funds and alternative investments held.

As of December 31, 2023	Less than 7 Days	Monthly	Quarterly	Semi Annual	1 – 5 Years
Funds and Alternative Investments	192,422,078	-	-	-	3,687,122
As of December 31, 2022	**Less than 7 Days**	**Monthly**	**Quarterly**	**Semi Annual**	**1 – 5 Years**
Funds and Alternative Investments	179,854,137	-	-	-	4,655,498

12.6 Market risk Interest rate risk

The Fund is exposed to interest rate risks. Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

The return on financial investments may be variable, fixed for a term or fixed to maturity. On reinvestment of a matured investment, the returns available on the new investment may be significantly different from the returns formerly achieved. This is known as reinvestment risk.

The Fund is therefore exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase or decrease as a result of such changes.

In accordance with the Fund's policy, the Fund Manager and the Board of Directors of the Trustee monitor and review the Fund's overall interest sensitivity on a quarterly basis.



12. FINANCIAL RISK (continued)

12.6 Market risk Interest rate risk (continued)

(a) Financial liabilities

The table below summarises the exposures to interest rate of the Fund's financial liabilities.

As of December 31, 2023	Exposure within 1 year $	Exposure of 1 to 5 years $	Exposure after 5 years $	Not exposed to interest $	Total $
Due to Sagicor (Bonds) Fund	-	-	-	1,531,482	1,531,482
Due to Sagicor Life	-	-	-	2,937,878	2,937,878
Due to Sagicor Global Balanced Fund	-	-	-	170,210	170,210
Accounts payable	-	-	-	4,193,803	4,193,803
Total	-	-	-	8,833,373	8,833,373

As of December 31, 2022	Exposure within 1 year $	Exposure of 1 to 5 years $	Exposure after 5 years $	Not exposed to interest $	Total $
Deposits received on real estate developed for resale	5,600	-	-	-	5,600
Due to Sagicor Life	-	-	-	2,653,712	2,653,712
Due to Sagicor Global Balanced Fund	-	-	-	83,000	83,000
Accounts payable	-	-	-	2,810,904	2,810,904
Total	5,600	-	-	5,547,616	5,553,216

12. FINANCIAL RISK (continued)

12.6 Market risk Interest rate risk (continued)

(b) Financial assets

The table below summarises the exposures to interest rate risks of the Fund's financial assets. It includes assets at carrying amounts categorised by the earlier of contractual repricing or maturity dates.

As of December 31, 2023	Exposure within 1 year $	Exposure of 1 to 5 years $	Exposure after 5 years $	Not exposed to interest $	Total $
Due from Sagicor International Balanced Fund	-	-	-	148,524	148,524
Due from associated company	-	-	-	22,663	22,663
Accounts receivable	-	-	-	12,894,164	12,894,164
Debt securities	3,596,387	8,564,020	6,643,983	224,835	19,029,225
Equity securities	-	-	-	524,882,431	524,882,431
Deposits	-	160	-	-	160
Mortgage loans	-	-	22,509,759	14,355	22,524,114
Cash resources	300,548	-	-	19,826,070	20,126,618
Total	3,896,935	8,564,180	29,153,742	558,013,042	599,627,899

As of December 31, 2022	Exposure within 1 year $	Exposure of 1 to 5 years $	Exposure after 5 years $	Not exposed to interest $	Total $
Due from Sagicor (Bonds) Fund	-	-	-	1,822,538	1,822,538
Due from Sagicor International Balanced Fund	-	-	-	81,158	81,158
Due from associated company	-	-	-	22,663	22,663
Accounts receivable	-	-	-	8,924,468	8,924,468
Debt securities	633,488	13,554,169	6,302,782	215,662	20,706,101
Equity securities	-	-	-	491,803,311	491,803,311
Deposits	-	160	-	-	160
Mortgage loans	-	75,711	23,565,425	15,480	23,656,616
Cash resources	17,270	-	-	19,262,194	19,279,464
Total	650,758	13,630,040	29,868,207	522,147,474	566,296,479

The table below summarises the average interest yields on financial assets held during the year.

	2023	2022
Debt securities	4.61%	3.88%
Mortgage loans	5.04%	4.14%

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12. FINANCIAL RISK (continued)

12.6 Market risk Interest rate risk (continued)

Sensitivity

The effect of a 1% increase or decrease in interest rates, with all other variables remaining constant, to the fair value of the interest-bearing financial assets at the date of the financial statements is as follows.

As of December 31, 2023	**$**
Total interest-bearing financial assets carried at fair value	18,804,390
The fair value impact of a decrease in interest rates:	975,922
The fair value impact of an increase in interest rates:	(869,819)

Foreign exchange risk

The Fund is exposed to foreign exchange risk as a result of fluctuations in exchange rates since its financial instruments are denominated in a number of different currencies. In order to manage foreign exchange risk, the Fund monitors the fluctuation in foreign exchange rates on a periodic basis. The Fund's exposure to foreign exchange risk is however not considered to be significant as the US and EC rates are fixed to the functional currency.

Financial assets and liabilities by currency are summarised in the following table.

	Balances denominated in						
As of December 31, 2023	**Barbados $**	**Jamaica $**	**Trinidad $**	**US $**	**CAD $**	**EC $**	**Total $**
ASSETS							
Due from associated companies	22,663	-	-	-	-	-	22,663
Due from Sagicor International Balanced Fund	-	-	-	-	-	148,524	148,524
Accounts receivable	12,140,423	-	654,139	53,020	-	46,582	12,894,164
Debt securities	6,669,316	-	-	11,741,956	-	617,953	19,029,225
Equity securities	150,128,998	297,124	14,196,906	357,339,281	-	2,920,123	524,882,432
Deposits	160	-	-	-	-	-	160
Mortgage loans	22,524,114	-	-	-	-	-	22,524,114
Cash resources	10,770,600	-	-	8,198,897	1,157,120	-	20,126,617
Total	202,256,274	297,124	14,851,045	377,333,154	1,157,120	3,733,182	599,627,899

12. FINANCIAL RISK (continued)

12.6 Market risk Interest rate risk (continued)

Foreign exchange risk (continued)

	Balances denominated in						
As of December 31, 2023	**Barbados $**	**Jamaica $**	**Trinidad $**	**US $**	**CAD $**	**EC $**	**Total $**
LIABILITIES							
Due to Sagicor (Bonds) Fund	1,531,482	-	-	-	-	-	1,531,482
Due to Sagicor Life Inc.	2,937,878	-	-	-	-	-	2,937,878
Due to Sagicor Global Balanced Fund	-	-	-	170,210	-	-	170,210
Accounts payable	4,187,674	-	-	6,129	-	-	4,193,803
Total liabilities	8,657,034	-	-	176,339	-	-	8,833,373
Net position	193,599,240	297,124	14,851,045	377,156,815	1,157,120	3,733,182	590,794,526

	Balances denominated in						
As of December 31, 2022	**Barbados $**	**Jamaica $**	**Trinidad $**	**US $**	**CAD $**	**EC $**	**Total $**
ASSETS							
Due from associated companies	22,663	-	-	-	-	-	22,663
Due from Sagicor (Bonds) Fund	1,822,538	-	-	-	-	-	1,822,538
Due from Sagicor International Balanced Fund	-	-	-	-	-	81,158	81,158
Accounts receivable	8,021,420	-	568,629	287,837	-	46,582	8,924,468
Debt securities	6,311,723	-	-	12,184,009	-	2,210,369	20,706,101
Equity securities	146,112,124	288,864	16,818,265	325,686,294	-	2,897,764	491,803,311
Deposits	160	-	-	-	-	-	160
Mortgage loans	23,656,616	-	-	-	-	-	23,656,616
Cash resources	9,703,121	9,282,925	293,418	-	19,279,464		
Total	195,650,365	288,864	17,386,894	347,441,065	293,418	5,235,873	566,296,479



12. FINANCIAL RISK (continued)

12.6 Market risk Interest rate risk (continued)

Foreign exchange risk (continued)

As of December 31, 2022	Balances denominated in Barbados $	Jamaica $	Trinidad $	US $	CAD $	EC $	Total $
LIABILITIES							
Deposits received on real estate developed for resale	5,600	-	-	-	-	-	5,600
Due to Sagicor Life Inc.	2,653,712	-	-	-	-	-	2,653,712
Due to Sagicor Global Balanced Fund	-	-	-	83,000	-	-	83,000
Accounts payable	2,803,550	-	-	7,354	-	-	2,810,904
Total liabilities	5,462,862	-	-	90,354	-	-	5,553,216
Net position	190,187,503	288,864	17,386,894	347,350,711	293,418	5,235,873	560,743,263

Sensitivity

The Fund is exposed to currency risk in respect of financial investments denominated in currencies whose values have noticeably fluctuated against the Barbados dollar.

The exposure to currency risk may arise in relation to the future cash flows of a financial instrument.

The most common example of this occurring in the Fund is a financial investment which is denominated in a currency other than the functional currency. In this instance, a change in currency exchange rates results in the financial investment being retranslated and the exchange gain or loss is taken to income.

The currencies whose values have noticeably fluctuated against the Barbados dollar (BDS) are the Trinidad dollar (TTD) and the Jamaica dollar (JMD). The theoretical impacts of the TTD and the JMD on reported results are considered below.

The effects of a 10% depreciation in both the TTD and the JMD relative to the BDS arising from TTD and JMD financial investments as of December 31, 2023 and December 31, 2022 and for the years then ended are considered below.

	Balances denominated in TTD $	Effect of a 10% depreciation on income as of Dec 31, 2023 $	Balances denominated in JMD $	Effect of a 10% depreciation on income as of Dec 31, 2023 $
Financial Investments	14,196,906	(1,419,691)	297,124	(29,712)

A 10% appreciation in both the TTD and the JMD relative to the BDS would have equal and opposite effects to those disclosed above.

12. FINANCIAL RISK (continued)

12.6 Market risk Interest rate risk (continued)

Foreign exchange risk (continued)

	Balances denominated in TTD $	Effect of a 10% depreciation on income as of Dec 31, 2022 $	Balances denominated in JMD $	Effect of a 10% depreciation on income as of Dec 31, 2022 $
Financial Investments	16,818,265	(1,681,826)	288,864	(28,886)

A 10% appreciation in both the TTD and the JMD relative to the BDS would have equal and opposite effects to those disclosed above.

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. The Fund mitigates this risk by holding a diversified portfolio and by selection of securities and other financial instruments within specified limits set by the Board of Directors of the Trustee.

The majority of the Fund's equity investments are publicly traded. The Fund's policy requires that the overall market position is monitored on a daily basis by the Fund Manager and reviewed on a quarterly basis by the Board of Directors of the Trustee.

Sensitivity

The effects of an across the board 20% decline in equity prices of the Fund's fair value through profit or loss equity securities at the financial statement date is as follows.

	Fair value $	Effect of a 20% decline at Dec 31, 2023 $
Fair value through profit or loss equity securities:		
Common shares - Listed	328,685,888	(65,737,178)
Common shares - Unlisted	87,344	(17,469)
Alternative Investments - Listed	186,552,095	(37,310,419)
Alternative Investments - Unlisted	1,765,105	(353,021)
Mutual Funds - listed	7,792,000	(1,558,400)
	524,882,432	(104,976,487)

	Fair value $	Effect of a 20% decline at Dec 31, 2022 $
Fair value through profit or loss equity securities:		
Common shares - Listed	307,206,333	(61,441,267)
Common shares - Unlisted	87,343	(17,469)
Alternative Investments - Listed	174,184,485	(34,836,897)
Alternative Investments - Unlisted	2,501,150	(500,230)
Mutual Funds - listed	7,824,000	(1,564,800)
	491,803,311	(98,360,663)

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12. FINANCIAL RISK (continued)

12.7 Fair value of financial instruments

Financial instruments carried at fair value in the financial statements are measured in accordance with a fair value hierarchy. This hierarchy is as follows:

(a) Level 1 - unadjusted quoted prices in active markets for identical instruments.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange or other independent source, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Fund considers that market transactions should occur with sufficient frequency that is appropriate for the particular market, when measured over a continuous period preceding the date of the financial statements. If there is no data available to substantiate the frequency of market transactions of a financial instrument, then the instrument is not classified as Level 1.

(b) Level 2 - inputs that are observable for the instrument, either directly or indirectly.

A financial instrument is classified as Level 2 if:

- The fair value is derived from quoted prices of similar instruments which would not be classified as Level 1; or
- The fair value is determined from quoted prices that are observable but there is no data available to substantiate frequent market trading of the instrument.

In estimating the fair value of non-traded financial assets, the Fund uses a variety of methods such as obtaining dealer quotes and using discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are discounted at market-derived rates for government securities in the same country of issue as the security; for non-government securities, an interest spread is added to the derived rate for a similar government security rate according to the perceived additional risk of the non-government security.

(c) Level 3 – inputs for the instrument that are not based on observable market data.

A financial instrument is classified as Level 3 if:

- The fair value is derived from inputs that are not based on observable market data.

Level 3 financial assets designated at fair value through profit or loss comprise primarily of corporate, government agency and government sovereign debt instruments issued in the Caribbean. The fair values of these instruments have been derived from December 31 market yields of government instruments of similar durations in the country of issue of the instruments.

The techniques and methods described in the preceding section for non-traded financial assets and liabilities are used in the determination of the fair values of Level 3 instruments.

The following table shows the financial assets carried at fair value at December 31 on a recurring basis by level of the fair value hierarchy.

2023	Level 1	Level 2	Level 3	Total
Financial assets classified at fair value through profit or loss:	$	$	$	$
Debt securities	-	11,741,956	7,287,269	19,029,225
Common Shares	325,156,016	3,529,872	87,344	328,773,232
Alternative Investments	184,630,078	1,922,017	1,765,105	188,317,200
Mutual Funds	-	7,792,000	-	7,792,000
Total assets	509,786,094	24,985,845	9,139,718	543,911,657
Total assets by percentage	94%	4%	2%	100%

12. FINANCIAL RISK (continued)

12.7 Fair value of financial instruments (continued)

(c) Level 3 – inputs for the instrument that are not based on observable market data (continued)

2022	Level 1	Level 2	Level 3	Total
Financial assets classified at fair value through profit or loss:	$	$	$	$
Debt securities	633,690	11,550,319	8,522,092	20,706,101
Common Shares	303,690,599	3,515,734	87,343	307,293,676
Alternative Investments	172,030,137	2,154,348	2,501,150	176,685,635
Mutual Funds	-	7,824,000	-	7,824,000
Total assets	476,354,426	25,044,401	11,110,585	512,509,412
Total assets by percentage	93%	5%	2%	100%

The table below provides information about the fair value measurements using significant unobservable inputs (Level 3).

Description	Fair Value at December 31		Valuation Technique	Unobservable Inputs	Range of Inputs		Relationship of Unobservable Inputs to fair value
	2023 $	2022 $			2023	2022	
Debt Securities	7,287,269	8,522,092	Discounted Cash Flows	Risk Adjusted Market Yields	4.25% - 7% Avg 5.63%	1.5% - 4.64% Avg 2.28%	The effect of a 1% increase in interest rates would decrease the fair value by $653,946 and a 1% decrease in interest rates would increase the fair values by $760,765.
Common Shares	87,344	87,343	Book Value per share Third party Valuation	Net Assets divided by number of shares issued. N/A	$0.01 - $1.50 Avg $0.76	$0.01 - $1.50 Avg $0.76	The higher the Net Assets, the higher the book value. Reliance is placed on third party information, which is not readily available for disclosure.
Alternative Investments	1,765,105	2,501,150	Third Party Valuation	Share of Partners' Equity	N/A	N/A	Reliance is placed on third party information, which is not readily available for disclosure.

The fair values of the equities securities in Level 3 are based upon prices determined by the investee fund managers and administrators.



12. FINANCIAL RISK (continued)

12.7 Fair value of financial instruments (continued)

(c) Level 3 – inputs for the instrument that are not based on observable market data (continued)

The following table presents the movement in Level 3 instruments for the year.

	2023 $	2022 $
Balance, beginning of year	11,110,585	11,070,829
(Losses) / gains recorded in income	(48,575)	415,770
Disbursements of financial assets	35,533	3,436
Disposals of financial assets	(1,967,200)	(379,450)
Effect of accrued income changes	9,375	-
Balance, end of year	9,139,718	11,110,585

Unrealised gains / (losses) on level 3 assets held at the end of the year are included in net gains on financial investments and amount to a loss of $(9,051) (2022 – a gain of $424,427). See note 16.

The fair value hierarchy of other financial instruments of the fixed rate mortgages not carried at fair value but for which fair value disclosure is required is set out in the following table. Due to their nature, the carrying value of variable rate mortgages approximate fair value.

	Level 1	Level 2	Level 3	Total
As at December 31 2023	$	$	$	$
Mortgage loans	-	-	11,113,014	11,113,014

	Level 1	Level 2	Level 3	Total
As at December 31 2022	$	$	$	$
Mortgage loans	-	-	11,818,880	11,818,880

12.8 Capital risk management

The capital of the Fund is represented by unit holders' equity. Unit holders' equity changes on a daily basis as the Fund is subject to the redemption and issue of units at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and to maintain a strong capital base to support the development of the investment activities of the Fund.

In order to maintain or adjust the capital structure, the Fund's policy is to redeem and issue units in accordance with the terms of the trust deed which includes the ability to restrict redemptions.

The Board of Directors of the Trustee and Fund Manager monitor unit holders' equity.

13. ACCOUNTS PAYABLE

	2023 $	2022 $
Investment property expenses payable	2,823,120	2,297,739
Other	1,370,683	513,165
Total accounts payable	4,193,803	2,810,904

14. INTEREST INCOME

The Fund manages its financial investments by the type of financial instrument (i.e. debt securities, deposits, mortgage loans, etc) and the income there from is presented accordingly.

	2023 $	2022 $
Mortgage loans	1,171,410	870,513
Debt securities	895,979	779,662
Other	23,580	14,836
Total interest income	2,090,969	1,665,011

15. NET RENTAL INCOME

	2023 $	2022 $
Rental income from investment property	5,782,159	5,156,682
Direct operating expenses of investment property	(3,561,519)	(3,055,202)
	2,220,640	2,101,480

16. NET INVESTMENT GAINS/(LOSSES)

	2023 $	2022 $
Net gains/(losses) on financial investments	44,799,628	(56,162,107)
Reduction in fair value of investment property	(330,000)	(833,333)
Net investment gains / (losses)	44,469,628	(56,995,440)



17. RELATED PARTY TRANSACTIONS

(a) Material related party transactions

	2023 $	2022 $
Management fee – Sagicor Life Inc.	4,760,872	4,795,790

(b) Units held by related parties

Parties related to the Fund held units in the Fund during the year as follows:

Sagicor Life Inc.	2023 $	2022 $
Value of units held at January 1	82,699,753	93,616,032
Net value of transactions for the year	2,413,122	(10,916,279)
Value of units at December 31	85,112,875	82,699,753

Sagicor General Inc.	2023 $	2022 $
Value of units held at January 1	7,375,647	8,160,091
Net value of transactions for the year	422,927	(784,444)
Value of units at December 31	7,798,574	7,375,647

18. COMMITMENTS

At December 31, 2023, the Fund's total committed capital to private equity strategies was $1,894,136 (2022 - $2,386,391). At that date, $1,372,810 (2022 - $1,496,202) of this commitment remained undrawn.

